

# STATUTES OF THE CZECH BANKING ASSOCIATION

## **PART ONE** **Basic Provisions**

### **1) Article 1** **Name and Registered Office**

- 1) The name of the Association is "Česká bankovní asociace" (hereinafter the "Association"). In English, the name of the Association is the "Czech Banking Association", in German "Der Tschechische Bankenverband", and in French "Association Tcheque des banques".
- 2) The Registered Office of the Association is Praha, the Czech Republic.

### **Article 2** **Legal relations**

- 1) The Association is a voluntary association which is established in accordance with Sections 20 (f) to (j) of the Civil Code (Act No. 40/1964, Coll., as amended).
- 2) The Association is an association of legal entities operating in banking and in closely related areas and which are holders of the CNB license, issued under the laws of the Czech Republic, foreign banks from EU Member States operating on the territory of the CR through branches on the basis of a single license under European Union law, as well as foreign banks operating on the territory of the CR through branches on the basis of a license issued by the Czech National Bank.
- 3) The Association does not serve to contract or promote cartel agreements.
- 4) The Association pursues its activities on the territory of the Czech Republic.
- 5) Based on a decision taken by the Assembly of Members (Part Four, Article 1, Section 6), the Association may become a member, associated member, or a corresponding member of a foreign institution (association, federation) operating in the banking sector.
- 6) The Association has been established for an indefinite period.

### **Article 3** **Subject of Activities**

The subject of the Association's activities is in particular to:

- 1) Represent and promote the joint interests of the Members in relation to the Parliament, the Government and vis-à-vis other state executive bodies, the Czech National Bank, and other legal entities.
- 2) Represent the interests of its Members abroad and provide for the representation of the Association in international expert bodies and organizations, particularly membership in the European Banking Federation and in the European Payments Council.
- 3) Support financial education of the public, professional training of employees of banks in ways and forms corresponding to their current needs, as well as the needs of the market, including providing for and organizing lectures, seminars, educational and awareness-raising courses, and examinations in accordance with its own training programs and the relevant legislation.
- 4) Present members' joint positions to experts and to the lay public, express opinions on questions connected directly with the banking sector and on questions of a broader nature, provide information to the mass media and produce publications connected with the Association's own professional and analytical activities.
- 5) Monitor and review the existing laws, proposed draft laws or statutory instruments substantially relating to the banking sector and respond to them within the meaning of Section 1) of this Article.
- 6) Perform activities aimed at standardizing banking procedures, especially at harmonizing them with the legislation and established practice resulting from membership in the European Union.
- 7) Act to remove differences among Members of the Association.
- 8) Develop other activities to support the interests of the Members of the Association.

## **PART TWO**

### **Commencement and Termination of Membership**

#### **Article 1**

##### **Commencement of Membership**

- 1) Membership in the Association is voluntary.
- 2) Legal entities operating in banking based on a valid banking license issued in accordance with the legal regulations of the Czech Republic may apply for

membership, foreign banks from EU Member States, operating on the territory of the CR through branches based on a single license under European Union law, as well as foreign banks operating on the territory of the CR through branches based on a license issued by the Czech National Bank.

- 3) Membership commences upon submitting an application, namely as at the beginning of the month that follows the date when the Assembly of Members agreed with the membership. It is reserved solely for legal entities operating in banking based on a valid banking license issued in accordance with the Act on Banks.
- 4) Applications for membership in the Association are submitted to the Executive Board of the Association in writing and in the prescribed format. The Executive Board shall submit them to the next Assembly of Members of the Association.

## **Article 2**

### **Termination of Membership**

- 1) Membership in the Association is terminated:
  - a) If the Member resigns.
  - b) If the Member is expelled.
  - c) Owing to the dissolution of a Member (also due to the withdrawal of the banking license in the case of Members whose activities require a valid banking license in accordance with the Act on Banks, Act No. 21/1992, Coll., as amended).
  - d) If the Association is dissolved.
- 2) Notifications of withdrawals from the Association are submitted in writing to the Executive Board of the Association. Membership in the Association shall expire upon the expiration of a period of 3 months from the delivery of the notification to the Secretariat of the Association, while this three-month period starts on the first day of the calendar month immediately following the month in which the notification was delivered to the Secretariat of the Association. The period referred to in the preceding sentence shall be automatically extended if, during the period, the withdrawing member has not fulfilled its financial obligations to the Association until the date of full fulfilment of those financial obligations. Termination of membership shall not extinguish a Member's outstanding obligations to the Association.
- 3) If a Member of the Association fails to pay to the Association all or part of the membership fee in accordance with the provisions of Part V, Article 2, even within an additional period set by the Managing Director of the Association, the Executive Board of the Association, upon the proposal of the Managing Director, may decide to expel such Member from the Association. In such case, membership in the Association shall cease on the day immediately following the day on which the Executive Board decides to expel the Member from the

Association. Termination of membership in the Association shall not extinguish the Member's outstanding obligations to the Association.

- 4) A Member of the Association may be expelled by a decision of the Assembly of Members of the Association, if:
  - a) It has grossly violated its membership duties as laid down in the Statutes.
  - b) It has grossly violated the interests and rights of other Members of the Association.
  - c) It has otherwise acted against the purposes and interests of the Association.
  - d) It has seriously damaged the reputation of the Czech banking through its action, for instance by acting contrary to the Ethical Code of the Association, by violating laws, etc.
- 5) The motion to expel a Member pursuant to the preceding Section is made by the Executive Board of the Association. The Supervisory Board has also the right to make such a motion.
- 6) The decision to expel a Member becomes effective on the delivery day of the decision to the appropriate Member. The Czech National Bank shall be informed of the decision to expel the Member.
- 7) In the event of a termination of membership, no entitlement to a refund of the nonrecurring contribution arises. Entitlement to a refund of the membership fee that has already been paid for the current year or a part thereof does not arise to Members whose membership status has changed owing to integration (merger or another form) with another Member. An expelled Member is not entitled either. A Member, who is resigning, is entitled to a refund of an aliquot part of the annual membership fee for a period starting from the day of the termination of the membership until the end of the current year.
- 8) A Member whose membership has terminated may ask for re-admission not sooner than after twelve months from the day of the termination of its membership. Re-admission to membership is subject to approval by the Assembly of Members of the Association.

### **Article 3**

#### **Suspension of Membership**

- 1) Membership of a Member of the Association may be suspended for serious reasons. Such reasons may, for instance, be the commencement of proceedings for the revocation of a banking license, a decision of the CNB on the introduction of a crisis resolution administration of an obliged undertaking or on the introduction of direct administration, or a final decision on the adoption of one of the resolution measures referred to in Sections 82 to 119 of Act No.374/2015, Coll., on Recovery and Resolution in the Financial Market, as amended. Membership is suspended by a decision taken by the Executive Board. The Member may not participate in the decision-making of the Association and may

not be elected to the Association's bodies during the period of suspended membership. If a representative of a bank whose membership has been suspended is a Member of the Executive Board or of the Supervisory Board, his/her participation in these bodies is also suspended during the period of suspended membership.

- 2) The termination of suspended membership shall be performed in a similar manner as the suspension of membership.

## **PART THREE**

### **Rights and Duties of Members**

- 1) Member of the Association has the right to:
  - a) Participate in the activities developed by the Association within the scope of its business activities (Part One, Article 3).
  - b) Take part in the results of the Association's activities and in the advantages and services provided by it (Part One, Article 3).
  - c) Submit inputs and comments on the activity of the Association.
  - d) Participate in the supervision and management of the Association.
  - e) Elect the bodies of the Association and be elected to these bodies.
  
- 2) Member of the Association has a duty to:
  - a) Respect the Statutes of the Association, the Ethical Code of the Association, decisions taken by the bodies of the Association and pay membership fees, the contribution of the acceding Member and membership contributions in accordance with the decisions on the financial management of the Association taken in accordance with the Statutes.
  - b) Participate, in accordance with its interests, expertise and potential, in fulfilling the objectives and tasks of the Association.
  - c) Provide information to the Secretariat of the Association, the need of which has been considered as necessary by the Assembly or by the Executive Committee of the Association pursuant to the Statutes.
  - d) Act in accordance with the interests of the Association.

## **PART FOUR**

### **Organization of the Association and Definition of the Powers of its Bodies**

#### **Article 1**

#### **Assembly of Members**

- 1) The Assembly of Members is the supreme body of the Association. As a rule, member entities are represented at the Assembly of Members by the Chairman of the Board, the Chief Executive Officer, or by the Head of the branch. The Members of The Association may be also represented at the Assembly of Members by a member of their statutory or controlling body. Members of the Association may be further represented at the Assembly of Members by other persons from among the employees of the Member of the Association, based on a written mandate. Each Member shall have one representative at the Assembly of Members. The Assembly of Members meets as and when needed, usually once a year. If immediate decisions are needed which come under the authority of the Assembly of Members in accordance with the Statutes, the Executive Board may ask the eligible Members for their positions in writing. The Executive Board informs the next plenary meeting of the Assembly of Members about the result.
- 2) Meetings of the Assembly shall be convened by the Executive Board by written invitations which have to be delivered to all Members of the Association at least three weeks before the set date of the meeting. A list of the meeting agenda items shall be sent, together with the invitation, as well as documents and background papers for the deliberations. The invitation, including the list of the meeting agenda items, is distributed by the Secretariat of the Association.
- 3) A proposal to hold an extraordinary meeting of the Assembly of Members may be made by:
  - a) One third of all Members of the Association,
  - b) Any Member,
  - c) The Executive Board or the Supervisory Board if required by the interests of the Association.
- 4) The proposal in accordance with Section 3) shall be made in writing to the Executive Board through the Secretariat of the Association except for cases when the decision to convene an extraordinary meeting of the Assembly of Members is taken directly by the Executive Board, or when the Managing Director of the Association is required to convene an extraordinary meeting of the Assembly of Members (Part Four, Article 2 (13) of the Statutes). The proposal shall contain a specific definition of the reason for convening an extraordinary meeting of the Assembly of Members and a draft agenda for its deliberations. Where the proposal is made in accordance with the provisions of Part Four, Article 1, Section 3 (a) or c) of the Statutes, the Executive Board is obliged to convene an extraordinary meeting of the Assembly of Members within 30 days of receiving a request which complies with the requirements under the previous sentence and a written invitation containing a copy of the request must be delivered to all Members of the Association at least 14 days before the set date of holding the extraordinary meeting of the Assembly of Members. With regard to proposals made in accordance with the provisions of Part Four, Article 1, Section 3 (b) the Executive Board is obliged to consider any such proposal without any undue delay and if the reason for the convocation of an extraordinary meeting of the Assembly of Members is deemed by it to be

sufficiently urgent, it shall decide to convene an extraordinary meeting of the Assembly of Members within 30 days of receiving a request complying with the requirements of the second sentence; a written invitation containing a copy of the request shall be delivered to all Members of the Association at least 14 days before the set date of holding the extraordinary meeting of the Assembly of Members. Should the Executive Board not recognize that there are sufficiently urgent grounds for convening an extraordinary meeting of the Assembly of Members, it will include the agenda items contained in the proposal in the draft agenda of the next regular meeting of the Assembly of Members. If the Executive Board considers the reason given in the proposal pursuant to Part Four, Article 2, Section 3 (b) of the Statutes as being unsubstantiated, it will not convene an extraordinary meeting of the Assembly of Members; however, it is obliged to inform the next regular meeting of the Assembly of Members about such a proposal and about the reasons for which it did not follow up the request.

- 5) Each Member shall have one vote.  
The Assembly of Members constitutes the quorum if an absolute majority of Members are present.
- 6) The responsibilities of the Assembly of Members include in particular:
  - a) Amending the Statutes of the Association.
  - b) Deciding on the strategy of activities of the Association.
  - c) Electing and recalling and additionally approving co-optation of Members of the Executive Board of the Association.
  - d) Electing and recalling and additionally approving co-optation of Members of the Association's Supervisory Board.
  - e) Deciding on the adoption of Members of the Association.
  - f) Deciding on the termination of membership by expulsion in the cases referred to in the Statutes.
  - g) Deciding on the re-admission of a member.
  - h) Deciding on the principles of the financial management of the Association, the level of budgetary expenditure, revenues, and the basic structure of expenditure, on membership dues paid to the Association, approving the implementation of the budget and the annual financial statement.
  - i) Deciding on the dissolution of the Association.
  - j) Possibly other items it shall reserve for its decision-making.
- 7) An absolute majority of votes of Members shall be required for the decision of the Assembly of Members to be valid who are present at the Assembly (under the assumption that the condition of quorum under Section 5 of this Article is met). The validity of a decision to amend the Statutes of the Association pursuant to the provisions of Part Four, Article 1, Section 6 (a) of the Statutes requires a  $\frac{2}{3}$  majority of votes of Members who are present at the Assembly (under the assumption that the condition of quorum under Section 5 of this Article is met). The validity of a decision to dissolve the Association in accordance with the provisions of Part Four, Article 1, Section 6 (i) of the Statutes requires a  $\frac{3}{4}$  majority of all Members of the Association.



- 7a) Rules governing the procedure for the election of Members of the Executive Board in emergency situations:
- (i) If, during elections of Members of the Executive Board, more than seven persons meeting the criteria under Part IV, Article 2 of the Statutes obtain the number of votes required for election as Member of the Executive Board, the list of such elected persons shall be drawn up in the order of the number of votes obtained; only those persons who have received the same or higher number of votes as the person with the seventh highest number of votes, provided that the person with the eighth highest number of votes received less votes than the person in the seventh place, shall be deemed to be the elected Members of the Executive Board.
  - (ii) If, during the election of Members of the Executive Board, more than seven persons meeting the criteria under Part Four, Article 2 of the Statutes, obtain the number of votes required to be elected as Member of the Executive Board and if it follows from the list of such elected persons according to the number of obtained votes, that one or more persons have obtained the same number of votes as the person in the seventh place (hereinafter referred to as the “seventh candidate”) and if, taking into account all persons who received the same number of votes as the seventh candidate, the total number of persons elected exceeds seven, the person with the same number of votes as the seventh candidate who will become a Member of the Executive Board will be chosen by holding a ballot. The candidates drawn are the seventh candidate and all persons who have obtained the same number of votes as the seventh candidate. The person whose name is drawn then becomes the elected Member of the Executive Board, and the ballot continues until the time when the total number of seven elected members of the Executive Committee is reached.
  - (iii) If, during the elections of Members of the Executive Board, less than 5 persons meeting the criteria under Part Four, Article 2 of the Statutes receive the required number of votes, it is considered that no Member of the Executive Board has been elected and the term of office of the Executive Board is prolonged until the time when a new Executive Board is properly elected and the Executive Board is obliged to convene an extraordinary meeting of the Assembly of Members, which must be held within 30 days from the date of the failed election of the Executive Board and election of Members of the Executive Board shall be on its agenda. A written invitation must be delivered to all Members of the Association at least 14 days before the scheduled date of the extraordinary meeting of the Assembly of Members. For electing Members of the Executive Board at this extraordinary meeting of the Assembly of Members, an absolute majority of the present Members of the Association is required. This is without prejudice to the provision on the quorum of the Assembly of Members.
- 8) Minutes shall be taken from the meeting of the Assembly of Members which shall contain, besides the formal particulars (venue, date):



- The list of participants
- A brief description of discussion of the individual agenda items
- Decision of the Assembly and possibly results of voting
- Proposals and positions of Members submitted for discussion.

The minutes are signed by the keeper of minutes and by the verifier. As a rule, the verifier of the minutes is elected by the Assembly of Members from among the Members of the Executive Board, the Supervisory Board, or Members of the Association in accordance with the provisions of Part Four, Article 1, Section 7 of the Statutes. The keeper of the minutes is usually an employee of the Secretariat of the Association.

The minutes are made out by the Association's Secretariat and are distributed to all Members of the Association within two weeks upon the date of holding the Assembly of Members.

## Article 2

### Executive Board of the Association

- 1) The Executive Board of the Association is a statutory body governing the activities of the Association and acting on its behalf. The Executive Board has at least five members and no more than seven members. The position of a Member of the Executive Board is an honorary position.
- 2) Members of the Executive or Board are elected by the Assembly of Members of the Association. A person may be elected as Member of the Executive Board, who is a statutory body as at the date of the elections, or Member of a statutory body, the Chief Executive Officer, Head of Branch, or Chairman or Vice-Chairman of the Supervisory Board of a Member of the Association (hereinafter the "**Candidate**"). The Candidate is proposed by a Member of the Association (hereinafter the "**Proposer**"). Each Member of the Association is entitled to propose one (1) Candidate. A Candidate of the Proposer may be elected as Member of the Executive Board if the Proposer delivers to the Association, not later than within 14 days before the termination of the proper term of office of the Executive Board, (i) a written proposal to enlist the Candidate in the elections to the Executive Board; (ii) a written consent of the proposed Candidate with his/her participation in the elections to the Executive Board and his/her election as Member of the Executive Board;
- 3) (iii) professional resume (CV) of the proposed Candidate; and (iv) a written election program of the Candidate, or of the Proposer. A copy of the professional resume and of the election program of each Candidate shall be enclosed to the invitation by which the Assembly of Members is convened, the agenda of which includes elections to the Executive Board.
- 4) The term of office of the Executive Board is three years.

- 5) The President, in his/her absence the First Vice-President and within his/her authority, the Managing Director and his/her deputy, act externally on behalf of the Association.
- 6) The Executive Board decides on all matters of the Association, unless they are the responsibility of the Assembly of Members of the Association in accordance with the Memorandum of the Association and/or the Statutes.
- 7) The Executive Board shall especially:
  - a) Convene the meetings of the Assembly of Members of the Association.
  - b) Review and decide on matters of membership in accordance with Part Two of the Statutes.
  - c) Elect and recall the President and Vice-President of the Association from among Members of the Executive Board by a two-thirds majority of its Members.
  - d) Appoint and recall the Managing Director of the Association and the Deputy Managing Director of the Association and approve other potential executives of the Association's Secretariat.
  - e) Decide on the expulsion of a Member of the Association in accordance with provisions of Part Two, Article 2, Section 3 of the Statutes.
  - f) Review and generally shape the financial management of the Association (the budget of revenue and expenditure, contributions policy, the implementation of the budget, and the annual financial statement after the hearing in the Supervisory Board).
  - g) Receive and discuss inputs and comments on the activity of the Association, proposals made by Members and steps to settle differences among the Members of the Association (except for those that belong, for instance, to commercial courts).
  - h) Adopt positions on questions of banking in the CR and publish them at its discretion.
  - i) Appoint and recall the Members of the Ethics Committee of the Executive Board of the Association and decide on its recommendations.
- 7) The Executive Board is composed of:
  - a) The President.
  - b) Two Vice-Presidents, of which one is elected as the First Vice-President.
  - c) Members of the Executive Board.

The President, First Vice-President and the Vice-President are elected by the Executive Board from among its members.

- 8) The Executive Board meets as and when required, at least four times a year. Its activities are chaired by the President and, in his/her absence, by the First Vice-President, and in the absence of the First Vice-President, by the Vice-President. The Executive Board constitutes a quorum if at least an absolute majority of its Members are present, including the presence of the President or at least one Vice-President. The condition for the quorum of the Executive Board requiring

the presence of the President or Vice-President of the Association, shall not be applied to the first meeting of the Executive Board immediately following the election of a new Executive Board by the Assembly of Members, or rather to the part of the deliberations of the Executive Board which includes elections of the President or Vice-President of the Association. If there is a split in the votes in the Executive Board, the President shall have the casting vote, in his/her absence the Vice-President, while when the President is absent and where votes of both Vice-Presidents are tied, then the First Vice-President shall have the casting vote.

Meetings of the Executive Board are convened by the President (in his/her absence by the First Vice-President and in his/her absence by the Vice-President) in a written initiation, which must be delivered to all Members of the Executive Board not later than 14 days before the set date of the meeting. The agenda of the meeting shall be sent together with the invitation. The invitations, together with the agenda of the meeting, are distributed to Members of the Executive Board by the Secretariat of the Association.

Minutes shall be drawn from the meetings of the Executive Board. The particulars of the minutes are similar to the minutes from the meetings of the Assembly of Members; they are, however, always authenticated by the President or by the Vice-President of the Association. Meetings of the Executive Board may also be held in the form of teleconferencing or videoconferencing. Members of the Executive Board attending a meeting of the Executive Board in any of these forms shall be deemed to be present at the meeting of the Executive Board.

8 a) The Executive Board may adopt resolutions *per rollam* in urgent cases that must not be allowed to suffer any delay. A resolution is adopted if a written draft resolution to be adopted *per rollam* has been provably sent to all Members of the Executive Board and at least two thirds of the Members of the Executive Board have given their written consent to the draft resolution within the prescribed period. If a Member of the Executive Board does not comment on the draft resolution adopted *per rollam* within the prescribed period, it means that he/she disagrees. The resolution adopted *per rollam* must be recorded in the minutes of the next meeting of the Executive Board. The request for the written form is also met where the communication and voting of the Members of the Executive Board in accordance with Part Four, Article 2 (8a) of the Statutes is held by electronic mail (e-mail).

9) A Member of the Executive Board may resign from his/her function. However, he/she must notify the President of this fact in writing, who is obliged to submit the notice for consideration at the next meeting of the Executive Board of the Association following the receipt of the notification. If the President of the Association resigns from the function of a Member of the Executive Board, he/she shall announce his/her resignation in writing to the Vice-President of the Association. The exercise of the duties of the Member of the Executive Board ends on the day specified in the notice of resignation, if the date is not given in it, then on the date of its discussion by the Executive Board. The date when the resignation takes effect must be stated in the minutes of the relevant meeting of the Executive Board.

- 10) Membership in the Executive Board expires upon the death of a Member of the Executive Board.
- 11) Membership in the Executive Board also terminates on the day when the performance of duties of the position of the existing Member of the Executive Board has ended for any of the reasons given in Part Four, Article 2 (2) of the Statutes.
- 12) When the membership of a Member of the Executive Board in the Executive Board terminates, the Executive Board may co-opt a new Member from the group of persons who may be elected to the Executive Board (Part Four, Article 2 (2) of the Statutes). The co-optation must be approved by the Executive Board in a resolution and submitted for additional approval to the next meeting of the Assembly of Members. The term of office of the co-opted Member terminates with the terms of office of the Members of the Executive Board. Only as many Members may be thus replaced during the term of office to ensure that an absolute majority is still created by Members who have been elected by the Assembly of Members. If the Assembly of Members additionally approves the co-optation of a Member of the Executive Board, such a person shall be regarded as a Member of the Executive Board duly elected by the Assembly of Members.
- 13) If the number of Members of the Executive Board drops below 5, but not less than 3 and provided at the same time that one of the remaining Members is the President of the Association, the Executive Board may add to the number of its Members by co-optation up to the maximum number of Members elected at the nearest preceding meeting of the Assembly of Members of the Association. The co-optation must be carried out no later than 14 calendar days after the number of members of the Executive Board has fallen below 5. If, within the time limit referred to in the preceding sentence, the co-optation of Members of the Executive Board at least up to the total number of five does not take place, as well as if the remaining Members of the Executive Board do not include the President of the Association or if the number of Members of the Executive Board falls below 3, the Managing Director of the Association, or the Deputy Managing Director of the Association, if the post of the Managing Director is vacant, is obliged to convene an extraordinary meeting of the Assembly of Members of the Association, whose agenda must include the election of Members of the Executive Board and, if appropriate, also additional approval of co-opted Members of the Executive Board. Such a meeting of the Assembly of Members of the Association must be convened so that it takes place no later than 30 days after the date on which the time limit for coopting Members of the Executive Committee in accordance with the second sentence has passed in vain. The Managing Director, or his/her Deputy, shall convene such a meeting of the Assembly of Members by a written invitation to be delivered to all Members of the Association not later than 14 days before the set date of holding such an Assembly of Members.

### **Article 3**

#### **President and Vice-Presidents**

- 1) The President and the Vice-President of the Association are elected for a term of office of three years.
- 2) The President and, in his/her absence, the First Vice-President, and in the absence of the First Vice-President, the Vice-President of the Association chair the meetings of the Executive Board of the Association. In their activities, they are bound by the decisions taken by the Executive Board and are responsible to it.
- 3) The President and the First Vice-President of the Association act for and represent the Association externally; they discuss - possibly with other Members of the Executive Board – the fundamental matters of the Association, both domestically and abroad. They sign the essential documents on behalf of the Association in accordance with Part Four, Section 1 (l) of the Statutes.
- 4) The functions of the President and the Vice-Presidents are honorary functions.

### **Article 4**

#### **Supervisory Board**

- 1) The Supervisory Board has at least three Members and not more than five Members. It is elected by the Assembly of Members of the Association. A person who, as at the date of the election, is a statutory body, member of a statutory body, the Chief Executive Officer, Head of branch, Chairman of the Supervisory Board, or a Member of the Supervisory Board of a Member of the Association may be elected as Member of the Supervisory Board of the Association (hereinafter the "Candidate"). A Candidate to membership in the Supervisory Board is proposed by a Member of the Association (hereinafter the "Proposer). Each Member of the Association is entitled to propose one (1) Candidate. A Candidate of the Proposer may be elected as Member of the Supervisory Board if the Proposer delivers to the Association, not later than within 14 days before the termination of the proper term of office of the Supervisory Board, (i) a written proposal to enlist the Candidate in the elections to the Supervisory Board; (ii) a written consent of the proposed Candidate with his/her participation in the elections to the Supervisory Board; and (iii) professional resume (CV) of the proposed Candidate. A copy of the professional resume of each Candidate shall be enclosed to the invitation by which the Assembly of Members is convened, the agenda of which includes elections to the Executive Board.
- 2) The term of office is three years.

- 3) No Member of the Supervisory Board shall be a Member of the Executive Board at the same time. Members of the Supervisory Board shall not hold functions mentioned in Part Four, Article 4 (1) of the Statutes in the banks whose representatives are Members of the Executive Board of the Association.
- 4) Members of the Supervisory Board shall elect one of them to the post of the Chairman of the Supervisory Board. An absolute majority of all Members of the Supervisory Board is required for the election.
- 5) An absolute majority of votes of all Members of the Supervisory Board is required for a decision taken by the Supervisory Board to be valid. If there is a split vote, the vote of the Chairman shall prevail. Meetings of the Supervisory Board may also be held in the form of teleconferencing or videoconferencing. Members of the Supervisory Board attending a meeting of the Supervisory Board in any of these forms, shall be deemed to be present at the meeting of the Supervisory Board.
- 6) The Supervisory Board may adopt resolutions *per rollam* in urgent cases that must not be allowed to suffer any delay. A resolution is adopted if a written draft of a resolution to be adopted *per rollam* has been provably sent to all Members of the Supervisory Board and at least two thirds of the Members of the Supervisory Board have given their written consent to the draft resolution. If a Member of the Supervisory Board does not comment on the draft resolution adopted *per rollam*, it means that he/she disagrees. The resolution adopted *per rollam* must be recorded in the minutes of the next meeting of the Supervisory Board. The request for the written form is also met where the communication and voting of the Members of the Supervisory Board in accordance with Part IV., Article 6 of the Statutes is held by electronic mail (e-mail).
- 7) The Supervisory Board in particular:
  - Oversees the performance of the activity of the Association.
  - Oversees the observance of adopted decisions.
  - Exercises control of the financial management of the Association.
  - Exercises control of the annual financial statements.
  - Reviews the draft budget of the Association before it is submitted to the Assembly of Members.
- 8) The Supervisory Board is responsible for its activity to the Assembly of Members; it takes part in the meetings of the Assembly of Members.
- 9) The Supervisory Board meets as and when required, however, at least two times a year. The meetings are convened by the Chairman of the Supervisory Board in a written invitation at least 14 days ahead. The meeting agenda shall be enclosed to the invitation.
- 10) A Member of the Supervisory Board may resign from his/her function. However, he/she must notify the Chairman of the Supervisory Board of this fact in writing,



who is obliged to submit the notice for consideration at the next meeting of the Supervisory Board following the receipt of the notification. If the Chairman of the Supervisory Board resigns from the function of a Member of the Supervisory Board, he/she shall announce his/her resignation in writing to all the other Members of the Supervisory Board. The exercise of the duties of the Member of the Supervisory Board ends on the day specified in the notice of resignation, if the date is not given in it, then on the date of its discussion by the Supervisory Board. The date when the resignation takes effect must be stated in the minutes of the relevant meeting of the Supervisory Board.

- 11) Membership in the Supervisory Board expires upon the death of a Member of the Supervisory Board.
- 12) Membership in the Supervisory Board also terminates on the day when the performance of duties of the position held by the existing Member of the Supervisory Board has ended for any of the reasons given in Part Four, Article 4 (1) of the Statutes.
- 13) If the number of Members of the Supervisory Board drops below 3, it is possible to co-opt up to a maximum of the total number of Board Members elected by the Assembly of Members. Co-optation is subject to approval by the next Assembly of Members. However, co-opting is not subject to the condition that the number of members of the Supervisory Board elected by the Assembly of Members must exceed the number of co-opted Members. If the number of Members of the Supervisory Board falls below 2, the Managing Director of the Association is obliged to convene an extraordinary meeting of the Assembly of Members of the Association without undue delay to elect the necessary number of Members of the Supervisory Board. The Assembly of Members may adopt a decision on the election of new Members of the Supervisory Board by *per rollam* procedure if the Managing Director of the Association so proposes. In such a case, the Managing Director shall be obliged to demonstrably circulate to all Members of the Association a written draft resolution for adoption *per rollam*. To adopt a resolution on the election of the Members of the Supervisory Board, at least a simple majority of all Members of the Association must agree in writing to the resolution within a specified time limit. If a Member of the Association does not express his or her position on the proposal for the adoption of a *per rollam* resolution within the time limit, he or she shall be deemed to have disagreed. The *per rollam* resolution shall be entered in the minutes of the next meeting of the Assembly of Members. The requirement of writing is also met if the communication and voting of the Members of the Association is by electronic mail (e-mail).

## Article 5

### Expert, Advisory and Working Bodies of the Association

- 1) The Executive Board of the Association establishes standing expert, advisory and working bodies for the individual fields of professional interest. The expert bodies are commissions, sub-commissions, and standing working groups, and



possibly an advisory council; renowned experts from non-banking institutions may also be invited to participate. Standing expert bodies may have secretaries (persons acting as staff support) who as a rule are employees of the Association's Secretariat. They provide for the link between the expert body and the Association's Secretariat and for administrative support to its activities.

- 2) Standing expert bodies elect their Chairpersons who are approved and recalled by the Executive Board, possibly also Vice-Chairpersons. The Managing Director of the Association shall decide on the dismissal of the Chairperson of a standing expert body on the proposal of a simple majority of the members of the standing expert body concerned. The proposal must be duly substantiated. The relevant staff support employee shall be required to comment on the proposal.
- 3) For a certain segment of their activities, commissions may propose the establishment of sub-commissions which are governed by similar rules of operation and are integrated with the appropriate commissions through their chairpersons.
- 4) The Executive Board or the Managing Director, or the chairperson of a standing expert body, may establish a temporary expert (working) team for individual tasks and tasks that are time limited and within the scope of the thematic focus of this body.
- 5) Standing expert bodies are governed in their work by the organizational rule/rule of procedure which is subject to approval by the Executive Board of the Association. The activities of sub-commissions are appropriately governed by the organizational rule/rule of procedure of the commission within which they have been established.

## **Article 6**

### **Secretariat of the Association**

- 1) The Secretariat of the Association consists of the Managing Director, the Deputy Managing Director, and other employees of the Association.
- 2) The Managing Director and the Deputy Managing Director are appointed by the Executive Board for three years from professionally and morally suitable candidates and may also be recalled by the Executive Board. Their appointment establishes or changes their employment relationship with the Association.
- 3) The Managing Director is managed by the Executive Board through the President, in his/her absence by the First Vice-President of the Association. He/she acts externally on behalf of the Association domestically and abroad, including its representation, manages the everyday activity of the Association and provides for the fulfilment of goals and projects. The Managing Director attends the meetings of the Executive Board, the Supervisory Board, and the standing expert bodies in an advisory capacity. He/she signs the key

documents for the Association in accordance with the provisions of Part Four, Article 1 (1) of the Statutes. The Managing Director manages the Secretariat of the Association and performs acts in employment relationships vis-à-vis the employees of the Secretariat.

- 4) The Managing Director manages the Secretariat of the Association and decides on hiring and releasing its staff.  
He then informs the Executive Board about changes in the staffing.
- 5) The Secretariat of the Association provides for the operational activity and support to the interests of the Association. Details regarding its organization and operation shall be regulated by the organizational rule and by the rule of procedure.

## **PART FIVE**

### **Financial management and assets of the Association**

#### **Article 1**

#### **Financial Management**

- 1) Budget is the essential tool of the financial management of the Association; it is drawn up for a period of one year by the Secretariat of the Association and is based on the established activities of the Association and on the strategy of activities for the current year.
- 2) The budget and the report on its implementation are approved by the Assembly of Members. Upon the recommendation of the Executive Board, the budget may be approved by Members by correspondence while a deadline of at least 10 workdays shall be provided to Members to express their positions. Members shall be informed about the anticipated amount of contribution for the financial year within a period of time which is required for the preparation of their own budgets.
- 3) Budgetary revenues consist of membership fees, membership contributions, voluntary contributions, other revenues, and subsidies.
- 4) The expense budget shall be broken down to the main cost categories (personnel expenses, material expenses, purchase of non-material services, fees and payments arising from the membership of the Association in other associations, etc.).
- 5) The Managing Director shall be responsible for the budget's implementation, financial management and the assets of the Association.

- 6) The financial management and the keeping of accounts shall be reviewed at least once a year. The decision to perform the review will go to the Executive Board and the Supervisory Board together; the results of the review shall be approved by the Assembly of Members.

## **Article 2**

### **Financial Resources**

- 1) The Members of the Association shall be obliged to contribute to the activity of the Association and to participate in the settlement of expenses of the Association in a form of:
  - a) Membership contribution.
  - b) Membership fees.
  - c) Possibly extraordinary contributions.
- 2) The newly accepted Members shall contribute a one-time membership contribution to the Association amounting to CZK 100.000, payable within 60 days upon the establishment of membership.
- 3) Membership fees shall be paid by all Members annually, based on the calculation performed in accordance with the approved general budget for the current year before the last day of December in the year which precedes the appropriate financial year.
- 4) The membership fee shall be calculated as follows:
  - a) 40% of the budgetary expense approved for the current year shall be paid by all Members of the Association in the same amount (the parity component part of the fee).
  - b) 60% of the budgetary expense shall be paid by Members of the Association proportionally according to the number of their staff in the total number of the staff of the Members of the Association (relative component part of the fee).
  - c) Data which are decisive for the calculation of the fee shall be used according to the status as of 30 September of the year which precedes the appropriate financial year.
  - d) Data on the registered number of employees reported to the Czech National Bank shall be used for the purposes of communicating information about the number of the bank's staff.
- 5) The Association applies a principle of balance between the budget revenues and the budget expenses. If the budgetary expenses are lower than the budget revenues in the current year, the remaining balance of the financial means that has accrued by the year-end shall be used as a budget resource for the next year; if the budget expenses exceeded the budget revenues, the deficit will be covered by an extraordinary membership fee allocated analogously to the allocation of membership fees under Section 4 of this Article.

### **Article 3**

#### **Association's Assets**

- 1) The assets (i.e., material assets, funds, and property rights) of the Association are in the ownership of the Association as a whole.
- 2) The inventory control of the assets is governed by special regulations.

## **PART SIX**

### **Final and Transitional Provisions**

#### **Article 1**

##### **Representation of the Association and signing on its behalf**

- 1) The President acts and signs on behalf of the Association, in his/her absence the Vice-President and the Managing Director and his/her deputy within the framework of their powers and according to the rule of one signature.

#### **Article 2**

##### **Dissolution of the Association**

- 1) In the event of a decision to dissolve the Association, the Assembly of Members of the Association shall at the same time decide on the matter of the proprietary settlement and on the appointment of a liquidator.
- 2) The following shall be provided for within the process of liquidation:
  - Settlement of all valid commitments to creditors; and
  - Securing all valid claims towards debtors.
- 3) The assets that are to go to the individual Members of the Association based on the settlement shall be distributed in proportion to the financial means put by the Members into the Association during the period of its existence.

#### **Article 3**

##### **Joint and Transitional Provisions**

- 1) The Statutes take effect upon the day of their adoption.
- 2) Each member shall receive one copy of the Statutes; two copies shall be archived in the Association's Secretariat.



The wording of the Statutes has been approved by the Assembly of Members of the Association on 15 June 2023 with effect from 15 June 2023.