

Chapter 1

Commission Delegated Regulation (EU) 2016/1075

Article 5 Governance

The information on governance shall contain at least a detailed description of the following matters:

- (1) how the recovery plan was developed, including at least:
 - (a) the role and function of persons responsible for preparing, implementing and updating each section of the plan;
 - (b) the identity of the person who has overall responsibility for keeping the recovery plan up-to-date and a description of the process to be used for updating the recovery plan to respond to any material changes affecting the institution or group or their environment;
 - (c) a description of how the plan is integrated in the corporate governance of the institution or group and in the overall risk management framework;
 - (d) if the considered entity is part of a group, a description of the measures and arrangements taken within the group to ensure the coordination and consistency of recovery options at the level of the group and of individual subsidiaries;
- (2) the policies and procedures governing approval of the recovery plan, including at least:
 - (a) a statement whether the recovery plan has been reviewed by an internal audit function, external auditor or risk committee;
 - (b) confirmation that the recovery plan has been assessed and approved by the management body of the institution or United Kingdom parent undertaking responsible for submitting the plan;
- (3) the conditions and procedures necessary to ensure the timely implementation of recovery options, including, at least:
 - (a) a description of the internal escalation and decision-making process that applies when the indicators have been met, to consider and determine which recovery option

may need to be applied in reaction to the situation of financial stress that has materialised, including at least:

- (i) the role and function of persons involved in this process, including a description of their responsibilities, or, where a committee is involved in the process, the role, the responsibilities and function of committee members;
 - (ii) the procedures that need to be followed;
 - (iii) the time limit for the decision on taking recovery options and when and how the relevant competent authorities will be informed of the fact that the indicators have been met;
- (b) a detailed description of the indicators, reflecting possible vulnerabilities, weaknesses or threats to, as a minimum, the capital position, liquidity situation, profitability and risk profile of the entity or entities covered in the recovery plan;
- (4) the plan's consistency with the general risk management framework of the institution or group, including a description of the relevant benchmarks (early warning signals) used as part of the institution's or group's regular internal risk management process, where these benchmarks are useful to inform the management that the indicators could potentially be reached;
- (5) management information systems, including a description of arrangements in place to ensure that the information necessary to implement the recovery options is available for decision-making in stressed conditions in a reliable and timely way.