

According to the Shareholders Assembly Decision for amending of the Statute of Sparkasse Bank AD Skopje no.145479/1-3 from 19.12.2023 and SVB Decision for determining revised text of the Statute of Sparkasse Bank AD Skopje no.147108/1-1 from 22.12.2023, the Supervisory Board of the Bank adopted the following revised text of the Statute, which reads:

STATUTE
of Sparkasse Bank AD Skopje
(revised text)

I. GENERAL PROVISIONS

Article 1

Sparkasse Bank AD Skopje (hereinafter: the Bank) is a legal person – a joint stock company seated in the Republic of North Macedonia which performs banking operations provided by the Banking Law, other laws and this Statute.

II. NAME AND SEAT OF THE COMPANY

Article 2

The name of the Bank is as follows:

„Шпаркасе Банка АД Скопје“. In translation, the name “**Sparkasse Bank AD Skopje**” will be used.

The name of the Bank is written in Cyrillic alphabet, in Macedonian language, and when performing operations with foreign countries it is written in Latin alphabet.

The seat of the Bank is in Skopje at street Vasil Iljoski no. 14 Skopje.

Article 3

The Bank, in its operations, uses a seal and a stamp that contain the name and the seat of the Bank.

The shape, the size and concrete content, as well as the manner of utilization of the seal and the stamp are prescribed by the Management Board of the Bank.

Article 4

The Bank has its own trademark.

The appearance, the shape and the size of the trademark are determined by a Decision adopted by the Supervisory Board of the Bank.

III. FINANCIAL ACTIVITIES OF THE BANK:

Article 5

The Bank has been established on indefinite period of time for the purpose of performing operations stipulated by law applicable and regulating the bank's operations.

The Bank is a legal person with a license obtained by the Governor of the National Bank of the Republic of North Macedonia (hereinafter: the NBRNM) and is established in compliance with the provisions of the Banking Law and Trade Company Law. The Bank performs its operations within the framework of the business policy and the development plan.

The Bank in its operations provides the performance of all matured obligations towards the creditors in total amount and maturity.

The Bank operates on its behalf and for its own account, on its behalf and for the account of third parties, as well as on behalf of and for the account of third parties.

Article 6

The Bank may perform the following activities:

1. acquisition of deposits and other repayable sources of assets;

2. credit financing in the country, including factoring and financing of commercial transactions;
3. credit financing abroad, including factoring and financing of commercial transactions;
4. issuance and administration of means of payment (payment cards, checks, travelers checks, bills);
5. Issuance of electronic money, provided that it is regulated by a special law;
6. Financial leasing;
7. Exchange office operations;
8. Domestic payment operations and external payments, including purchase and sale of foreign currency;
9. Quick money transfer;
10. Issuance of payment guarantees, guaranties and other kinds of security;
11. Rental of safe deposit boxes, depositories and depots;
12. Trading in money market instruments;
13. Trading in foreign currency, including trading in noble metals;
14. Trading in securities;
15. Trading in financial derivatives;
16. Provision of custodian services for property of investment and pension funds;
17. Purchase and sale, underwriting and placement of securities issuance;
18. Holding securities for clients;
19. Counseling for legal entities about structure of capital, business strategy or other related issues or providing merger or acquisition services to legal entities;
20. Insurance policy sale brokerage;
21. Credit and Loan Agreement conclusion brokerage;
22. Processing and analysis of information about solvency of legal persons;
23. Economic-financial consulting;
24. Other financial activities regulated by law which a bank may perform;
25. Intermediation in insurance
26. Marketing and sales of fully funded pension insurance.

The financial activities performed by the Bank in the national classification of activities are marked under code "Other monetary intermediation - 64.19".

For the performance of the activities under paragraph 1 items 3, 13, 14, 15, 16, 17 with the exception of trading in securities in the country, an amount of at least 560.000.000,00 denars of own capital is required.

For commencement of the performance of activities stated under paragraph 1 items 5, 8, 9, 13, 14, 15, 16, 17, 24, 25 and 26 a prior approval by the National Bank of the Republic of North Macedonia and other regulators are required.

IV. CAPITAL OF THE BANK

Initial Capital

Article 7

The nominal amount of the initial capital (original capital) of the Bank amounts to MKD 5.594.758.050 denars and it is divided into 2.095.415 registered ordinary shares each with a nominal value of 2.670,00 denars per share.

The Bank may issue ordinary and preference shares.

Each share is entitled to one vote in the Assembly of the Bank.

Article 8

The Assembly of the Bank may denominate the nominal value of the shares by increasing or decreasing that value or expressing the nominal value of the shares in foreign currency, provided that the amount of the original capital remains the same.

The Decision under paragraph 1 of this Article is adopted by the Assembly of the Bank.

Article 9

The increase of the Bank's basic capital can be carried out by:

- contributions;
- conditional increase of the basic capital;
- approved capital, and
- from the assets of the Bank.

The basic capital can be reduced by:

- reduction of the nominal amount of one or more types and classes of shares;
- merger of one or more types of shares, whereby the minimum nominal amount of the merged share cannot be less than 1 EURO, and
- withdrawal of personal and other shares, if the withdrawal leads to reduction of the basic capital.

The basic capital shall be increased or reduced with a decision adopted by the Shareholder's Assembly.

Initial capital and any further increase in the initial capital may not be reduced by the return of paid-in stakes of shareholders

The decision shall be adopted by the Shareholder's Assembly by majority votes that cannot be lower than two thirds of the voting shares represented at the Assembly.

Article 10

The Bank keeps a share ledger dematerialized in the Central Securities Depository (hereinafter: the CSD), in a manner and under conditions determined by law.

Reserves of the Bank

Article 11

The assets of the reserves of the Bank are own assets of the Bank which serve for covering the losses which derive from the risks which the Bank encounters in its operations and for other purposes.

The reserves of the Bank comprise of:

- A reserve fund;
- Revaluation reserves;
- A special reserve.

Article 12

The Bank established reserve fund by retaining funds from the net profit determined in the decision made by Shareholder Assembly, in amount that cannot be less than 5% of the profit until the reserve of the bank reach an amount equal to 1/10 of the Initial capital.

The reserve fund may be transformed into an initial capital in compliance with the legal provisions.

The revaluation reserves of the Bank are formed in a manner and under conditions determined by the legislation.

For the purpose of managing the risk against the potential losses or the incurred losses which derive from specific risk balance and off-balance positions, the Bank is obliged to recognize impairment losses, i.e. special reserves, in a manner and in an amount pursuant to the methodology prescribed by the Council of the National Bank.

V. RIGHTS, OBLIGATIONS AND RESPONSIBILITIES OF THE SHAREHOLDERS

Article 13

Any domestic and foreign natural or legal person that has acquired shares in compliance with the law obtains the capacity of a shareholder of the Bank.

The shareholders acquire rights upon the registration in the shareholders' ledger after having fulfilled the legal conditions.

Article 14

A shareholder of the Bank is entitled to all rights, obligations and responsibilities determined by the rules and regulations and this Statute.

Ordinary shares are shares which entitle the shareholders of the Bank to the following:

- A right to vote in the Assembly;
- Payment of a dividend;
- Payment of a share of the remainder of the bankruptcy estate of the Bank;

The preference shares with voting right beside the rights stipulated under paragraph 2 of this Article provide certain other privileged rights such as the right to a dividend in a specifically determined monetary amount or in a percentage of the nominal amount of the share as well as a primacy right in the payment of a dividend.

The total nominal amount of the preference shares with no voting right in the Bank may not exceed 10% of the total nominal value of the total shares of the Bank.

The shareholders shall be unlimitedly and jointly liable for the Bank's obligations in the cases, if they:

- Abuse the Bank as a legal person for the purpose of attainment of objectives which to them as individuals are prohibited;
- Abuse the Bank as a legal entity so that they inflict damage to their creditors;
- Managed the property of the Bank as if it was their own property, contrarily to the law; or
- Publicly disclose and present the information they acquired realizing the right to information contrary to the law.

Any shareholder of the Bank is liable for the obligations related to the operations of the Bank to the amount of the assets invested as an initial capital.

VI. DETERMINATION OF THE FINANCIAL RESULTS, PROFIT DISTRIBUTION AND LOSS COVERING

Article 15

The Bank determines the financial result of the operations either as a profit or as a loss.

The profit is determined when the total expenditure from the accounting period is compensated from the total profit earned.

The profit of the Bank is distributed by means of decision adopted by the Assembly of the Bank on the basis of a draft-decision on usage and distribution of the profit adopted by the Supervisory Board of the Bank, and in compliance with the valid legal provisions for the purpose of:

- Covering the losses from the operations in the previous years;
- Increasing the initial capital of the Bank;
- Dividends and other remunerations to the shareholders;
- Increasing the assets of the reserve fund; and
- Other purposes.

Article 16

The distribution of the profit for the purpose of increasing the assets of the reserve fund shall be pursuant to Article 12 of this Statute.

Article 17

The Bank allocates resources from the profit for other purposes, including but not limited to:

- The members of the Supervisory Board of the Bank;
- The members of the Audit Committee of the Bank;
- The members of the Management Board of the Bank;

- Persons with special rights and responsibilities and the employees of the Bank.

Article 18

The distribution of the profit for other purposes shall be depending on the results accomplished in the course of the operations.

The distribution of the profit under Article 17 of this Statute is performed pursuant to criteria determined by the Supervisory Board of the Bank.

Article 19

Provided that the income earnings of the Bank following the annual account are insufficient for covering the total expenditure, the Bank declares loss in its operations.

The loss from the operations of the Bank is covered by the assets from the reserve fund, and in case of insufficiency, by decreasing the initial capital in compliance with the law.

VII. SUPERVISORY STANDARDS

Article 20

The Bank is obliged to provide an adequate level of own assets depending on the type and the scope of the financial activities and the amount of risks which derive from the performance of those activities (capital adequacy).

The Bank shall operate in a manner that allows it permanently to be able to settle all its liabilities (solvency).

The Bank shall, in accordance with applicable legislation, maintain the following capital buffers:

- 1) capital conservation buffer;
- 2) countercyclical capital buffer;
- 3) capital buffer for systemically important banks; and
- 4) systemic risk buffer.

The Bank shall calculate the rates of capital buffers in accordance with the Banking Law and the Methodology of the National Bank, i.e. in accordance with the resolution by the Governor of the National Bank.

The Bank is obliged to maintain the exposure to certain types of risks within the limits prescribed by the Banking Law and the supervisory regulations of the National Bank.

The Bank by means of general acts and internal procedures shall prescribe the criteria, the manner and the methods of risk management, as well as the evaluation of the adequacy of the capital pursuant to the level of risk of the Bank. The general acts and the internal procedures shall be in conformity with the rules and regulations and the standards from the area of banking and the methodology prescribed by the Council of the National Bank of the Republic of North Macedonia.

VIII. STATUTORY CHANGES

Article 21

The Assembly of the Bank adopts a decision on statutory changes of the Bank (merger, incorporation with another or division into several banks).

A license by the National Bank is compulsory for any statutory changes of the Bank.

The mutual relations of the shareholders of the Bank in the event of statutory changes of the Bank shall be settled by mutual consent or by mediation of the Supervisory Board of the Bank.

IX. INSURANCE OF DEPOSITS OF NATURAL PERSONS

Article 22

The Bank is obliged to insure the deposits nominated in local and foreign currency and the current accounts of the natural persons, the deposits pegged to payment cards of the Bank and the foreign exchange incomes of the natural persons in the Deposit Insurance Fund.

X. COMPLIANCE FUNCTION

Article 23

The control of compliance of the Bank's activities with the legislation is being conducted by an independent organizational unit, which identifies and monitors the risk of non-compliance of the Bank's activities with the legislation.

Risk of non-compliance is a risk for the Bank to be exposed to legal or regulatory sanctions as well as risk of potential financial losses and jeopardizing the reputation of the Bank – as a result of non-compliance of the Bank's activities with the legislation.

The control scope of compliance of the operations of the Bank with legislation is at least related to:

- monitoring and adhering to legislation related to Bank's operations;
- identification and monitoring of risks from non-compliance of the Bank's operations with legislation, including monitoring of complaints from clients of the Bank;
- reporting to Supervisory and Management Board on identified non-compliances in the course of operations and on undertaken activities for their overcoming;
- advising the Supervisory and Management Board on issues related to implementing legislation;
- timely reporting to members of Management Board and remaining employees on legislation amendments and supplements in legislation;
- evaluation of potential influence of legislation amendments on the Bank's operations and on its surroundings;
- evaluation of compliance of new products, activities or Bank's systems with legislation;
- employee training on manner of application of corresponding legislation in their daily activities;
- guidance on appropriate application of legislation in the form of recommendations, including recommendations for amending corresponding internal acts, as well as providing answers to employees on issues related to implementing legislation;
- meeting other legal requirements (for example activities for preventing money-laundering);
- cooperation with other institutions;
- regular reporting to Supervisory and Management Board of the Bank, according Banking law.

The employees of the organizational unit for Compliance perform solely these control activities and are independent in their competences.

The organizational structure, rights and responsibilities, the relations with other organizational units within the Bank, as well as the competences and conditions for appointing of responsible and authorized person for this function are being regulated by the Management Board.

The process of anti-money laundering and combating financing terrorism within the Bank is part of the compliance process, and therefore the Bank is obliged to conduct Client Analysis Procedure, to monitor certain transactions, to report to the Financial Intelligence Unit, to keep data and documents and to implement an internal program for prevention of money laundering and financing terrorism.

Transactions performed within the regular business relations with the client are being monitored with the purpose of confirmation that those transactions are aligned with the purpose and intention of the business relation, the risk profile of the client, client's financial condition, and if necessary – with client's sources of financing.

XI. ORGANIZATION AND OPERATION OF THE BANK

Article 24

The Bank independently establishes the manner and the form of internal organization, integration of its activity in compliance with the market conditions and profit earning in conformity with the valid regulations and this Statute. The decision for general organizational chart and structure is adopted by the Supervisory Board.

Article 25

For performing the activities under the scope of operations of the Bank, organizational parts are defined in accordance to the Bank's applicable organizational chart, and furthermore detailed definition of the chart structure including job description for each organizational part is adopted by the Managing Board as internal act of the Bank in form of systematization of job positions.

Article 26

The organizational parts of the Bank are established as branches, affiliate offices, counters and representative offices within the country and abroad, with a Decision of the Supervisory Board, upon the proposal by the Management Board, and in compliance with the legislation.

The organizational parts of the Bank perform their operations under the name of the Bank with a name and seat of the part of the Bank.

The decision on establishment of the organizational parts of the Bank further determines the financial activities they shall perform and other issues.

XII. MANNER OF BANK MANAGEMENT AND PROCEDURE FOR ESTABLISHMENT OF THE BODIES

Article 27

Bodies of the Bank are the Assembly, the Supervisory Board, the Risk Management Committee, the Audit Committee, the Managing Board, the IT Steering Committee and the Remuneration and Nomination Committee.

ASSEMBLY

Article 28

The shareholders are exercising their rights and interests in the Bank at the assembly.

The Shareholders' assembly includes all shareholders.

The shareholders can authorize attorneys in fact and/or give them written power of attorney and instructions for voting in accordance to the requirements under Trade Company Law.

Unless otherwise determine by this Law, all shareholders shall exercise their rights for participation and voting at the Assembly.

Article 29

The Assembly of the Bank performs the following activities:

1. adopts the Statute and the modifications and amendments to the Statute of the Bank;
2. reviews and adopts the annual report on the performance of the Bank along with the written opinion on the annual report prepared by the Supervisory Board;
3. reviews and adopts the report of the audit company and the written opinion on the report prepared by the Supervisory Board;
4. adopts the annual account and the financial statements of the Bank;
5. decides on the usage and the distribution of the profit earned or on the covering of the losses;
6. decides on a new issue of shares of the Bank;
7. decides on statutory changes and termination of the Bank's operations;
8. appoints and dismisses the members of the Supervisory Board;

9. elects an audit company and decides upon proposal for termination of the contract with the audit company;
10. decides on other issues of relevance to the operations of the Bank provided by this Statute.

Article 30

The Assembly of the Bank works at sessions which are held whenever required, and at least once yearly.

The Annual Assembly of the Bank is compulsorily held prior to the expiry of six months of the calendar year for the previous year.

Upon the expiry under paragraph 2 of this Article, and in cases when the Governor shall not approve of the report on conducted audit provided that he/she shall ascertain that it does not dwell on objective facts concerning the financial state of the Bank or the audit company which in the conducting of the audit did not act pursuant to the prescribed standards and procedures, the Annual Assembly of the Bank for the previous year may take place prior to the expiry of nine months from the calendar year.

The Assembly of the Bank is convened by decision of the Supervisory Board of the Bank.

By means of decision on convening the Assembly, the Supervisory Board decides on the venue of the Assembly.

Article 31

The request for convening the session of the Shareholder's Assembly can be submitted by the shareholders representing at least 1/10 (one tenth) of the shares with voting rights. In the request submitted in writing, the shareholders requesting the convening of the assembly have to state the purpose and reasons for convening the assembly, the topics that should be subject of decision and the personal data of the shareholders. Together with the request the shareholders shall enclose an excerpt from the shareholders book, issued by the Central Securities Depository, stating the number of voting shares.

In a time period of eight days upon the receipt of the shareholders' request for convening an assembly, the Supervisory Board adopts a decision on acceptance or rejection of the request. Should the decision be rejection of the request it must indicate the reasons due to which such a decision was adopted.

The Supervisory Board of the Bank is obligated upon the request of the shareholders who have a majority of all voting shares, to convene an assembly in a time period of 24 hours calculated from the day of submission of the request.

Article 32

Assembly is convened by sending an invitation to the shareholders in a manner that allows confirmation that the invitation has been received by the shareholder or by posting a public announcement to the shareholders who is printed in half in at least one daily newspaper published on the entire territory of the Republic of North Macedonia and on the front page of the Bank's web-site.

The manner of convening the Assembly is determined by a decision on convening the Assembly.

Article 33

Invitation or announcement for participation in the Assembly of the Bank contains at least the following information:

- name and headquarters of the Bank;
- the place, date and time of convening the Assembly;
- the description of the procedures by which shareholders participate and vote in the Assembly;
- other procedural formalities of importance to the presence of the Assembly and the manner of voting;
- the agenda by which the Assembly shall work;

- manner in which the materials upon the points of the agenda that are prepared for the convened Assembly are available;
- possibility of appointing a representative of the shareholder and the manner of his appointment;
- address of the website of Bank where information will be available about the total number of shares and total voting rights arising from shares entitled to vote on the day of announcement of the call, documents and materials that will be discussed at the Assembly, the proposed decisions or when such decisions are not proposed, opinions from an authorized body or a Bank's body on each point from the proposed agenda for the Assembly, the proposed decision of the shareholders, voting forms, and
- other information depending on proposed agenda items.

The period which runs from the date of submission the invitations for participation on the Assembly, or publication of the invitation, until the day of holding the assembly session, cannot be shorter than 30 days.

The Shareholders may authorize a representative for the meeting of the Assembly, through issuing a power of attorney in a written form, without the obligation to be certified by a notary public. The shareholders must notify the Bank for power of attorney issued in a written form. Otherwise, the issued power of attorney shall be deemed as not valid.

The document for power of attorney should be sent at Bank's expense, to each shareholder, or to be made available for downloading from the Bank's web-site, in a manner that the shareholders could download, print, fill in and sign it. In case when the shareholder from certain reason cannot technically download the power of attorney from the Bank's web-site, or if the form was sent by mail but not received, the shareholder may use also different forms for written empowerment.

The Bank is obliged to acknowledge a written power of attorney, if there was a written notification by the shareholder who issued the power of attorney. The Bank may request confirmation of the identity of the shareholders, as pre-condition for accepting the power of attorney, i.e. for verification of the voting instructions, as given to the empowered representative. The Bank must not request a notary certification of the power of attorney, or confirmation by a domestic or international authorized body, as pre-condition for accepting of the power of attorney, i.e. the voting instructions.

The Bank's shareholders may empower a representative and/or provide them with instructions for electronically voting. In such case, the Bank is obliged to enable an electronic system through which the shareholders may register, empower representatives and provide the representatives with voting instructions for the Assembly meeting.

Article 34

The session of Shareholders' assembly is presiding by the Chairman. The Chairman of the Assembly is elected for each meeting.

Each shareholder or a person representing the shareholder can be elected for the Chairman of the Assembly. A member of the managing body of the Bank cannot be elected for the Chairman of the Assembly.

The mandate of the Chairman of the Assembly last until the new Chairman of the Assembly. In case the previous Chairman cannot attend the upcoming Assembly when new Chairman should be elected, the Shareholders' Assembly is opened and chaired by the representative of the dominant shareholder, until the election of the new Chairman.

Article 35

Materials for the session of the Assembly of the Bank are made available to shareholders from the date of the invitation, or announcement of the public announcement, in a certain premises of the Bank and on the website of the Bank.

Article 36

Each shareholder that intends to participate at the convened assembly shall be obliged to register his/her participation at the assembly, before the beginning of session of the scheduled assembly, at the latest.

Prior to the beginning of holding the assembly, for each shareholder, the following lists are made available for:

- List of shareholders who voted by electronic means;
- List of shareholders who voted by correspondence, and
- List of registered shareholders and present, in person or by proxy

The lists of the preceding paragraph are to be compared with the shareholders book, obtained from the Central Securities Depository, 48 hours prior to holding the session of the assembly.

The list shall be signed by each present shareholder that is his /her representative, by which he/she verifies his /her presence at the assembly (verified participant at the Assembly).

The signed lists referred to in paragraph (2) of this Article, are verified by the signatures of the Chairman of the assembly and the minute's taker.

After the verification of the list, the Chairman of the assembly shall confirm the quorum for work.

A quorum of work is constitute by shares with voting rights of shareholders present at the Assembly (in person or by authorized representative) and the shareholders who voted by electronic means and/or by correspondence.

All participants at the assembly shall have access to the verified list, prior to the first voting.

Article 37

The relevant body that is authorized to convene the Assembly shall proposes the Agenda of the Assembly.

Each shareholder has the right to file a motion to include the item on the agenda of the Assembly which will convene under the terms and conditions established by law and this Statute.

The shareholders that individually or jointly own at least 5% of the total number of the voting shares can request amendment of the agenda by submitting written request or by using by using electronic means, referring to 1) proposing supplementing the agenda with request for including new points if simultaneously provide an explanation for the proposed point for supplementing the agenda or if they propose a decision upon a proposed point or 2) proposing adoption of decisions on each point included or to be included in the agenda.

The request for including one or more points on the agenda for the assembly that is being convened and/or the proposal for decision adoption shall be sent to management body of the Bank, that is the person who is convening the assembly appointed by the court in accordance with this Law, within a time period of eight days from the day when the invitation was sent, that is the day of publication of the public announcement for convening a session of the Assembly.

For the duly request the body that convened the assembly, that is the person determined by the court to convene the assembly, shall send the request for including one or more points to the agenda of the convened assembly to all shareholders, that is shall publish it in the same manner in which the invitations were sent, that is in which the public announcement for participation at the convened assembly was announced, no later than eight days prior to convening the meeting.

The Bank is making available the revised agenda the same way as the previous agenda prior to day of convening the session of the Assembly so the revised agenda shall be considered duly available if the shareholders can in timely manner authorize representatives or vote via correspondence.

If the points requested to be included in the agenda of the assembly are not under the competence of the assembly or are not in accordance with the Law and the statute are refused and are not put on the agenda but the final decision upon the request shall be adopted by the assembly when adopting the agenda.

The right to raise questions from the shareholders and the obligation of the Bank to answer the raised questions can be pre-conditioned by the need to verify the personal identity of the shareholders raising the questions, maintain the order in chairing and operation of the

assembly, or to undertake actions in order to preserve the confidentiality of the work and the business interests of the Bank. The question and answers are disclosed on the Bank's web site in form of question and answers.

Article 38

Besides participation in the Assembly by personal presence or by authorized representative, in accordance with the Company Law, the Bank will allow shareholders to vote in the Assembly and one of the following ways:

- through electronic means of vote before the session of the Assembly without the need of individuals authorized representative who would attend the session, and
- by correspondence prior to the session of the Assembly.

The Bank may establish a system of electronic registration and recording of the shareholders for the purpose of their identification and preservation of electronic security during the participation of the shareholders as well as may allow participation via correspondence and on its website published a description of the procedure, the required documentation for identification of shareholders and the place of withdrawal of the documents for electronic registration and records or voting via correspondence.

Shareholders who have collected documents for electronic registration of e-voting or voting via correspondence of the Assembly can vote by sending the completed form to vote that shall be available on the website of the Bank.

At the invitation of the Assembly published the correct date and time of commencement and completion of voting by electronic means, with voting by electronic means must begin at least 8 days before holding of the Assembly and ending no later than 24 hours before the session Assembly.

Shareholder who voted via correspondence or electronically can personally attend a session of the Assembly, but personally if the shareholder wants to vote at the meeting must be in writing revoke the electronic voting at least 48 hours prior to the session. If the shareholder does not submit a written notification that he/she dismisses voting via correspondence or electronic voting which must be received by the Bank at least 48 hours before the Shareholders' assembly the electronic voting shall be taken as final.

Article 39

Assembly of the Bank can operate if verified participants holding at least a majority of the total number of shares with voting rights are present at the meeting, whereby is considered that the shareholders present at the session of Shareholders' assembly (personal or by authorized representative) and the shareholders who voted by electronic means and / or correspondence are participating and are represented in the work of the Assembly.

Decisions of the Assembly of the Bank shall be adopted by a majority of shares with voting rights who participate in the Assembly, that are presented to the Assembly unless the law and this Statute is not provided for another majority or other conditions are prescribed in respect of which the majority reaches the decisions of the Assembly of the Bank.

The Assembly of the Bank by not less than two thirds of the shares with voting rights who participate in the session, that are presented to the Assembly decides to:

- Increase and decrease the initial capital;
- Change of name and headquarters of the Bank;
- Statutory changes, and
- Other cases determined by law.

The decision for amendment of the Statute of the Bank is to be adopted with the majority of votes from the total shares with voting rights.

Article 40

If the quorum is not reached, the Assembly cannot commence its operation. In a time period no longer than 15 days as of the day when the Assembly at which there was no quorum for work

has been scheduled, a new term for convening the assembly shall be scheduled (Rescheduled Assembly), which is to be convened in this term. The new term of the rescheduled assembly shall be published in the same manner as the publication of the convening of the assembly which did not have the operation quorum.

Article 41

For all issues stated in the Agenda, including appointment and dismissal of members of the Supervisory Board the voting is public.

Upon a request of one or more shareholders holding at least one tenth of the total number of voting shares, the voting shall be secret.

Article 42

Decisions of the Assembly of the Bank as a rule is becoming effective immediately on the date of enactment, except if depending on the type of the decision made by the Assembly, in the Decision is not determine another date of entry into force.

Article 43

For the operation of the assembly minutes of meeting are being taken by a notary public, which minutes are signed by the Chairman and the notary public.

Within 15 days as of the day of holding the assembly, the Bank on its website announces the voting results in accordance with the Company Law.

Article 44

The manner of work of the Assembly is further regulated by the rules of procedure of the Shareholders Assembly, in detail describing and regulating the following:

- manner of convening and holding an Assembly and convening the Assembly on a basis of a court decision;
- the terms of convening the Assembly in respect of regulatory or internal defined terms based on the scheduled Assembly;
- invitation and public announcement for convening the Assembly;
- content of the invitation and/or and public announcement, moreover the content the invitation and/or and public announcement as the Bank in accordance with the Law on Securities has special notification obligations;
- Information that the Bank have to published on its web site, in respect of the obligation as Company with special notification obligation, according to the Law on Securities, furthermore the information for the time of convening the session of the Bank's Assembly;
- Manner of defining the agenda and inclusion of new points on the agenda with additional defining the rights and manner of including additional points or adding the existing points of the agenda;
- Manner of notification, delivery and reception of materials and other information
- Manner of rising questions and submitting them, verification of shareholder, deciding and responding to the questions raised by the shareholders on the session of the Bank's Assembly as well as publishing the answers on its web page in the format of a question and an answer;
- Manner of decision making for the points that are not on the agenda of the session of the Assembly;
- Registration of participation at an assembly and/or using the right as a shareholder with a letter to of attorney to authorize other natural person or a legal entity as shareholder's attorney in fact on a session of the Assembly, as well as the manner of giving the attorney in written or by electronic means;
- Identification and manner of reporting the conflict of interest of the attorney in fact
- Manner of evidencing and recording the participation as well as establishing the quorum of the Assembly's operation;
- Conducting the Assembly and continuation of an adjourned Assembly's session;

- Conditions for exercising the voting right in respect of the decision that shall be adopted, deterring the majority needed for each decision adoption at the Assembly;
- Exercise of the voting right in certain cases or restrictions on the exercise of the voting right;
- Manner of voting at the assembly and manner of conducting secret voting;
- Determining the voting results;
- Minutes from the assembly and other questions.

SUPERVISORY BOARD

Article 45

The Supervisory Board conducts supervision of the work of the Management Board, and approves the policies for performance of the financial activities and supervises their implementation.

Article 46

The Supervisory Board is responsible for the good performance of the Bank and management and stability of the Bank, as well as timely and accurate financial notification of the National Bank.

In performing its competencies, the Supervisory Board takes into account the interests of stakeholders and ensures conditions for maintaining efficient cooperation with the National bank of the Republic of North Macedonia and remaining regulatory institutions.

Article 47

The Supervisory Board consists of 7 (seven) members selected in the procedure and conditions prescribed by law. At least one quarter of the members of the Supervisory Board have to be independent members.

A member of the Supervisory Board may not be the person who is not in compliance with requirements and/or restrictions stipulated with the Banking Law for the persons with special rights and responsibilities.

Supervisory Board members shall have the appropriate knowledge and skills required for the execution of their competencies, avoid conflicts of interest, and dedicate sufficient time to fulfilling their obligations resulting from the competencies prescribed by Law.

Supervisory Board members must jointly possess the knowledge and experience required for independent supervision of the bank's operations, and especially for understanding the Bank's activities and the material risks, to which it is exposed.

The mandate of a member of the Supervisory Board is 4 (four) years. A person may not be an independent member of the Supervisory Board of a same bank for more than three consecutive terms. The mandate of the new elected members, replacing the existing members who have terminate the function member of the Supervisory Board may takes as much as last term of the replaced member. The mandate of new elected member, replacing the existing member of the Supervisory Board, is determined with the Decision for appointment adopted by Shareholder Assembly taking in consideration the outstanding period till expiration of the term of the replaced member.

The members of the Supervisory Board elect a president and a vice president of the Supervisory Board of the Bank from among its members.

The Supervisory Board meets at least once quarterly, i.e. in compliance with the Law.

Article 48

The Supervisory Board is obliged:

1. to adopt Bank's business policy and to monitor its implementation;
2. to be actively included in the supervision of Bank's operations, to be up to date with significant changes in its operations and its surroundings and to timely act in order to protect Bank's long-term goals;

3. to adopt and monitor application of other policies and internal acts under its competence;
4. together with the Management Board, to establish and promote corporate culture and values in the Bank, taking into consideration the defined standards and norms of ethics;
5. to perform self-evaluation and evaluation of the members of Risk Management Committee, Audit Committee, Management Board, according to the valid Policy on the manner of selection, monitoring the performance, and dismissal of members of the Supervisory Board, Risk Management Committee, Audit Committee, and Management Board;
6. to define the rights and responsibilities of the Risk Management Committee, Audit Committee and of Management Board, as well as to define the cooperation with the Management Board of the Bank;
7. to determine together with the Management Board the acceptable risk level, considering market competition, regulatory requirements, long-term goals of the Bank, risk exposure and capacity for undertaking risks, which includes compliance of acceptable risk level with business policy, financial plan, internal capital determining process and the remuneration system;
8. to establish and monitor the implementation of risk management system, including the operations of the Risk Management Committee, considering the regulatory requirements of the National bank for risk management and requirements for determining one member of the Management Board that will be responsible for risk management;
9. to establish and monitor implementation of internal audit and to monitor the operations of the Audit Committee;
10. to monitor the financial operations of the Bank and the manner of conducting financial reporting;
11. to monitor the remuneration system in the Bank and to perform evaluation whether it is in accordance with the Remuneration Policy, risk culture and risks bearing capacity of the Bank;
12. to monitor implementation of internal acts of the Bank for whistleblowing;
13. to review transactions of connected persons with the Bank.

Article 49

The Supervisory Board performs the following activities:

1. adopt the Bank's business policy and development plan;
2. appoint and dismiss members of the Bank's Management Board;
3. appoint and dismiss members of the Risk Management Committee;
4. appoint and dismiss members of the Audit Committee;
5. appoint and dismiss members of the Bank's Credit Committee;
6. appoint and dismiss members of the IT Steering Committee;
7. adopt the financial plan of the Bank;
8. reviews the reports of the Management Board for the organization and effectiveness of internal control system;
9. approves the establishment and the organization of the internal control system;
10. organizes an Internal Audit Department and appoints, monitors the activities and dismisses the person responsible for internal audit of the Bank;
11. approves the annual plan of the Internal Audit;
12. adopt the Information Security Policy;
13. adopt the risk management policies of the Bank;
14. approves the plans and work programs and the general acts of the Bank, with the exception of the acts adopted by the Assembly of the Bank;
15. adopt a policy for avoiding conflicts of interest, which shall identify possible conflicts of interest and measures and activities for their prevention;
16. adopt a remuneration policy, in accordance with the Bank's business policy, development plan, financial plan, and policy for avoiding conflicts of interests;

17. adopt and implement a policy on the manner of selection, monitoring the performance, and dismissal of members of the Supervisory Board, Risk Management Committee, Audit Committee, and Management Board;
18. review the reports on the performance of the Management Board of the Bank;
19. review the reports of the Risk Management Committee;
20. review the reports of the Audit Committee;
21. review the reports of the Internal Audit;
22. review the reports of the -department for control of compliance of the operations of the Bank with the regulations;
23. approve the annual account and the financial statements of the Bank;
24. approve the exposure to an individual entity exceeding 20% of the Bank's own funds, other than exposure on the basis of purchased securities issued by the National Bank and by the Republic of North Macedonia;
25. approve transactions with related persons with the Bank in an amount exceeding 6.000.000 denars;
26. approve the acquiring of equity holdings and the purchase of securities with an amount exceeding 5% of the bank's own funds, other than the purchase of securities issued by the National Bank and by the Republic of North Macedonia;
27. approve the proposal of the Audit Committee regarding the appointment of an audit company, or the proposal for termination of the agreement with the audit company and is responsible for provision of adequate audit;
28. approve the policy and the procedures for conducting the internal audit, performs supervision of the suitability of the procedures and the efficiency of the work of the Internal Audit and reviews its reports;
29. review the reports on the supervision, other reports submitted by the National Bank, the Public Revenue Office and other competent institutions and proposes, i.e. undertakes measures and activities for the purpose of overcoming the stipulated nonconformities and weaknesses in the performance of the Bank;
30. discusses the supervisory reports from the on-side supervision and on-side inspection conducted by the NBRNM and other competent bodies and proposes, and forward the minutes of meetings of the Supervisory Board to the National Bank referring to comments over the undertakes measures and activities and verifies the comments and objections over the received reports from conducted controls and inspections;
31. approve the annual report on the performance of the Bank and submits a written opinion on the aforementioned report to the Assembly of the Bank;
32. review the report of the audit company and submits a written opinion on the aforementioned report to the Assembly of Shareholders;
33. adopt the corporate governance code, which lays down the rules for management and supervision in the bank;
34. adopt the code of ethics of the Bank;
35. approve the rules of procedure of the Audit Committee;
36. report on its operations to the Shareholder's Assembly;
37. approve the write-off of the claims above maximum amount of individually insignificant claims;
38. approve the credit exposure to a single person and related persons within the limits established by the Bank's Acts;
39. decide on acquisition and disposal of the Bank's foreclosed assets in a value of foreclose, sale and/or mortgaging for sale, exceeding 5% of the bank's own funds, in accordance with the Bank's Acts;

40. review the reports on the type and amount of foreclosed assets, undertaken actions for realization of the foreclosed procedures, the status of plans for sale implementation and / or changes in the plans, as well as the amount of sold foreclosed assets;
41. convene the Bank's Shareholders' Assembly between the two annual meetings on its own initiative or at the request of shareholders;
42. decide on establishment and termination of organizational bodies of the Bank, delegating their establishment and determining their authorizations;
43. establish committees and commissions for the purpose of performance of certain tasks and delegate the obligations and determines their scope and manner of work;
44. adopt rules of procedure for its work and for the work of Management Board;
45. approve the rights of the Management Board regarding representation and authorizations for approving Banks' acts;
46. reviews the report on transactions with persons related to the bank;
47. approve the strategic internal acts that regulates overtaking and managing risks and monitors its implementation;
48. assess the adequacy of the adopted strategic internal acts and policies for risk management at least once a year;
49. review reports on the risk profile of the Bank;
50. approve limits on exposure to certain types of risks;
51. approve the Bank's Policy for reports and data disclosure;
52. approve the policy that determines manner of managing risk of non-compliance and conducting control of compliance of the Bank's operations with legislation;
53. approve the policy on using services from external entities and
54. decide on other issues in compliance with the law, this Statute and other rules and regulations.

The Supervisory Board at least once yearly performs evaluation of its own performance from the aspect of the individual members and collectively and notifies the Assembly of the Bank regarding the abovementioned.

The Supervisory Board is obliged to perform evaluation of eligibility of the candidate for member, or of member of Supervisory Board respectively and evaluation of eligibility of Supervisory Board member together with remaining members of the Bank's Supervisory Board.

The evaluation is conducted:

1. prior to every appointment of new Supervisory Board member;
2. prior to reappointment of existing member of Supervisory Board;
3. annually, according law.

With the exemption of points 1 and 2 of the previous paragraph, the evaluation can be conducted also after appointing Supervisory Board member by the Shareholders Assembly of the Bank, no later than one month after appointment, prior to obtaining consent by the Governor of the National Bank. Apart from cases from the previous paragraph, the collective evaluation is performed also in case of significant changes in the Bank's business model.

Article 50

Supervisory Board work and decide on sessions that are held as needed, at least once per quarter.

Members of the Supervisory Board may participate in meetings organized by the use of conference, telephone or by using other audio or visual communication equipment, whereby all the persons participating in such meeting can hear, see and talk to each other.

Members of the Supervisory Board can make decisions without holding a meeting by giving written consent to decisions that are made. Giving consent can be made by signature or by signature sent by fax or electronically on the draft-decision. Decisions shall be considered as

adopted if all members of the Supervisory Board shall give written consent to the draft-decision. The manner and decisions that shall be considered as adopted by written consent from the members of the Supervisory Board is defined in the Rules of Procedure of the Supervisory Board.

The meetings of the Supervisory Board shall be convened and chaired by the President and in his absence by designated Vice President.

The meetings of the Supervisory Board shall be scheduled by submitting written invitation and proposed - agenda including the materials at least 7 days prior to the session.

The Supervisory Board shall be convened at the request of one third of the members of the Supervisory Board or Management Board.

Supervisory Board effective debate and decide if on the session is present majority of members. The decisions on the Supervisory Board Meetings are reached by majority vote of all members.

Minute from the Supervisory Board Meeting, within three days of the session, is prepared and signed by all members of the Supervisory Board present at the meeting.

Article 51

The mandate of the members of the Supervisory Board may be terminated before the expiration of the terms in the following cases:

- if the Bank's Shareholders Assembly does not approve the Report on the Supervisory Board
- if the pre-conditions which prevent the appointment of a member of the Supervisory Board are met;
- if the National Bank of RM withdrew consent for the appointment of a member of the Supervisory Board;
- on submitting the personally written request – resignation;
- if performs some operations in/for other banks - competitors,
- if convicted by a final verdict to imprisonment in accordance with law, and
- in other cases prescribed by the law.

The mandate of the members of the Supervisory Board can be terminated prematurely by relieving them from duty due to operations contrary to the law, the Statute of the Bank and the other business practice, or based on a personal written request.

In the event of a premature termination of the function of the members of the Supervisory Board, elections are held for the vacant positions for the remainder of the term of office at the first forthcoming session of the Assembly of the Bank upon the prior approval of the National Bank.

Article 52

The manner of work of the Board is further regulated by the rules of procedure of the Supervisory Board.

Article 53

The members of the Supervisory Board and Audit Committee are entitled to remuneration for the participation and work at the sessions, the amount of which is determined by a decision of the Assembly.

RISK MANAGEMENT COMMITTEE

Article 54

The Risk Management Committee is consisted of 6 (six) members from among persons with special rights and responsibilities of employees of the Bank, appointed by the Supervisory Board. Members of the Committee are:

- Member of the Management Board responsible for risk management, who is President of the Committee;
- President of the Management Board, as Vice President of the Committee;

- the responsible person within the organizational part responsible for strategic risk management;
- the responsible person for the organizational part for legal affairs;
- the responsible person within the organizational part responsible for credit risk management and workout;
- the responsible person for the organizational part for compliance.

The mandate of a member of the Risk Management Committee is 4 (four) years.

With the decision for nominating the members of the Risk Management Committee deputies may be appointed from the persons with special rights and responsibilities that replace the members in absence.

Members of the Risk Management Committee, in addition to the conditions provided by law, are required to have minimum three-year experience in the area of finance or banking, as well as knowledge of the operations of the Bank, its products and services, and have knowledge of the risks, to which the Bank is exposed.

Article 55

Risk Management Committee meets at least once a week.

Risk Management Committee discuss and decide if there is presence on the session of the majority of the total number of members.

In case of divided voting, the vote of the President is decisive, and in his absence, the vote of the Vice President.

Members of the Committee can participate and decide at a meeting organized by the use of conference, telephone or by using other audio or visually communications equipment.

Members of the Committee can participate and decide at a meeting organized by the use of conference, telephone or by using other audio or visually communications equipment.

Risk Management Committee makes decisions by a majority of the members of the Committee. For each meeting of the Committee, the minutes are taken which is adopted on the next session.

Risk Management Committee can make decision without holding a meeting if all members of the board give written consent to the act adopted by a signature, a signature sent by fax or electronically. For all acts taken by written consent of the Committee the minute is prepared.

Article 56

The Risk Management Committee performs the following activities:

1. Permanently monitors and evaluates the level of risk of the Bank and ascertains the acceptable level of exposure to risks for the purpose of minimizing the losses which derive from the exposure of the Bank to risks;
2. Establishes risk management policies and monitors their implementation;
3. Monitors the rules and regulations of the National Bank which refer to the risk management and compliance of the Bank with these regulations;
4. Performs evaluation of the risk management systems in the Bank;
5. Determines short-term and long-term strategies for management of certain types of risks to which the Bank is exposed;
6. Analyzes the reports on the exposure of the Bank to risks prepared by the organizational parts in the Bank which perform assessment of the risks and proposes strategies, measures and instruments for protection against risks;
7. establishing of the procedures and method of performing stress-testing;
8. establishing Policy for outsourcing;
9. Monitors the efficiency of the functioning of the internal control systems concerning the issue of risk management;
10. Analyzes the effects of the risk management on the performances of the Bank;
11. Analyzes the effects of the proposed strategies for risk management, as well as the proposed strategies, measures and instruments for protection against risks;

12. At least once per quarter reports to the Supervisory Board, concerning the changes in the risk positions of the Bank, the changes in the risk management strategy, the effects of the risk management on the performances of the Bank, as well as the undertaken measures and instruments for protection against the risks and the effects of the aforementioned;
13. Assessing the price adjustment of products and services offered by the Bank with the level of assumed risk, in accordance with the Bank's business policy and development plan;
14. At least once quarterly reviews the transactions with the related persons with the Bank in terms of which it submits a report to the Supervisory Board;
15. follows the implementation of the Information System Security Policy and identifies the necessity for revision.
16. assesses the established process of managing information system security;
17. analyzes the report on the risks assessment of the information security and monitors the undertaken activities referring to the information system security managing;
18. reviews reports on the Bank's properties, reports for the results of the Bank's assets disposal and reports for the Bank's assets management;
19. reviews and analyzes reports on the course and the stage of legal proceedings, in accordance with policies for managing legal risk;
20. approves exposure to an individual entity of more than 10% but no more than 20% of the Bank's own funds;
21. performs other activities in accordance with the law, by-laws and Bank's internal acts.

Article 57

The Risk Management Committee reports to the Supervisory Board on its activities at least on quarterly basis.

Article 58

Detailed provisions for convening the sessions, the manner of operation, the procedure for decision-making and more issues are governed by the Rules of Procedure for Risk Management Committee, which is approved by the Supervisory Board.

Article 59

The Risk Management Committee makes self-assessment of its operations from the aspect of individual members and jointly at least once a year, and shall submit it to the Supervisory Board.

AUDIT COMMITTEE

Article 60

The Audit Committee consists of 6 (six) members, appointed by the Supervisory Board, with a term of office of 4 (four) years.

The majority of the members of the Audit Committee are elected from among the members of the Supervisory Board, whereas the other members are independent members.

At least one member of the Audit Committee is a certified auditor.

The Audit Committee members elect a President from amongst their ranks, responsible for the organization of the work of the Audit Committee, and a Deputy.

Article 61

Audit Committee meets at least once every three months or more frequently at the request of the Supervisory Board.

Audit Committee effective work and decide if the present session of the total number of members.

Members of the Audit Committee may participate in meetings organized by the use of conference, telephone or by using other audio or visual communication equipment, whereby all the persons participating in such meeting can hear, see and talk to each other.

The decisions on this committee are reached by majority vote of all members. In the case of the equal-split of votes, the vote of the President, in his absence the vote of the Vice President is decisive.

Minute from the Audit Committee Meeting, is prepared to be adopt at its next Committee session.

Members of the Audit Committee can make decisions without holding a meeting by giving written consent to decisions that are made. Giving consent can be made by signature or by signature sent by fax or electronically on the draft decision.

Decisions shall be considered as adopted if all members of the Audit Committee shall give written consent to the draft - decision.

The Audit Committee shall make self-assessment of its operations from the aspect of individual members and jointly at least once a year.

The Audit Committee shall submit an annual report on its operations to the Bank's Supervisory Board, containing the self-assessment according to the paragraph 7 of this Article.

Article 62

The members of the Audit Committee apart from the conditions which the persons with special rights and responsibilities are to fulfill must have knowledge of:

1. the operations of the Bank, its products and services;
2. the risks to which the Bank is exposed;
3. the internal control systems and the risk management policies of the Bank and
4. accountancy and audit.

Article 63

The Audit Committee performs the following activities:

1. reviews the financial statements of the Bank and provides for the accuracy and the transparency of the published financial information about the operations of the Bank in compliance with the accounting regulations and the international accounting standards;
2. reviews and evaluates the internal control systems;
3. monitors the work and evaluates the efficiency of the Internal Audit;
4. monitors the process of auditing the Bank and evaluates the work of the audit company;
5. adopts the accounting policies of the Bank;
6. monitors the conformity of the operations of the Bank with the regulations which adhere to the accounting standards and financial statements;
7. holds meetings with the Management Board, the Internal Audit and the audit company concerning the determined nonconformities with the regulations and the weaknesses in the operations of the Bank.
8. reviews the reports of the Risk Management Committee;
9. proposes appointing of an audit company and termination of the contract concluded with the audit company.
10. at least once every three months report to the Supervisory Board on its operations;
11. gives opinions on questions posed by the Supervisory Board;
12. performs other duties in accordance with the laws and bylaws, the Statute and other general acts of the Bank.

Article 64

Detailed provisions for convening the sessions, the manner of operation, the procedure for decision-making and more issues are governed by the Rules of Procedure for Audit Committee.

MANAGEMENT BOARD

Article 65

Management Board is the body that represents the Bank and manages Bank's operations.

The Supervisory Board of the Bank appoints the Management Board members with decision reached by the majority of votes from the Supervisory Board members and they take over the functions after obtaining prior consent from NBRSM. Managerial contract is concluded with

each of the members of the Management Board which stipulate the work, obligations, rights, remuneration and the personal insurance premium and other relevant issues.

The Management Board of the Bank consists of 4 (four) members, who are equally responsible for the operation of the Bank and the obligations undertaken by the Bank and the Member's responsibilities are defined in details and distributed with this Statute.

By the decision of the Supervisory Board the Members, the President and Deputy President of the Management Board are appointed.

By the Decision approved by the Supervisory Board the allocation of responsibilities among members of the Management Board in certain segments of the Bank's operations, is performed, as follows:

- President of the Management Board is responsible for retail activities, marketing and communications, the human resources and for coordination of the General Secretariat and the internal audit. In reference to the coordination of the internal audit, the President enables uninterrupted operation of the internal audit, i.e. ensures that the internal audit has access to the documentation and employees of the Bank in order to conduct its activities undisturbed;
- Deputy President of the Management Board is responsible for corporate activities, finance activities, trading and financial market activities and property, logistics and safety activities;
- The third Member of the Management Board is responsible for the strategic risk management activities, credit risk management and workout activities and banking operations activities;
- The fourth member of the Management Board is responsible for the activities related to information technology and digital channels and organization activities.

The mandate of members of the Board is 5 (five) years with options for re-election.

Article 66

A member of the Management Board of the Bank must have expert knowledge and experience required for independent management of the Bank's operations, and especially for understanding the Bank's activities and the material risks, to which it is exposed, in accordance with the corporate governance rules and must have suitable experience which provides reliable and stable management of the Bank, and he/she must have six years of successful work experience from the finance or banking field or three years of work experience as a person with special rights and responsibilities in a bank with activities appropriate to the Bank in which he/she is appointed.

The members of the Management Board must be permanently employed in the Bank and at least one of the members must know the Macedonian language and its Cyrillic alphabet and must have permanent residence in the Republic of North Macedonia.

A member of the Management Board may not be the person who is not in compliance with requirements and/or restrictions stipulated with the Banking Law for the persons with special rights and responsibilities.

The evaluation of properness of the candidate for member of Management Board is conducted by the Supervisory Board of the Bank, in accordance with the valid Policy on the manner of selection, monitoring the performance, and dismissal of members of the Supervisory Board, Risk Management Committee, Audit Committee, and Management Board.

The evaluation from paragraph 1 from this decision is conducted at least:

1. prior to appointing of new member of Management Board;
2. prior to re-appointing existing member of Management Board;
3. in case significant changes occur, regarding the business model of the Bank.

Article 67

The Management Board of the Bank is responsible for the legitimacy of the performance of the Bank and is liable to the Supervisory Board for its operations.

According to competencies foreseen in Banking Law, the Management Board of the Bank manages the Bank and participates in implementing business policy, establishing and promoting corporate culture and values, determining acceptable risk level, establishing and implementing internal control system and providing conditions for Bank's activity in accordance with the legislation.

Article 68

The Management Board of the Bank performs the following activities:

1. manages the Bank;
2. represents the Bank;
3. executes the decisions of the Assembly and the Supervisory Board of the Bank, i.e. provides for their execution;
4. starts initiatives and submits proposals for promotion of the performance of the Bank;
5. appoints and relieves from duty persons with special rights and responsibilities in compliance with the law and this Statute;
6. prepares the business policy and the development plan of the Bank;
7. prepares the financial plan of the Bank;
8. prepares the information system security policy;
9. prepares the annual report on the performance of the Bank and submits it to the Supervisory Board;
10. prepares the code of ethics of the Bank;
11. appointing person or arrange organizational part for conducting the control over compliance of the Bank's operations with the regulations;
12. decides on purchase, sale and lease of the fixed assets of the Bank and approval of assets for other activities up to 5% of the own assets of the Bank;
13. decides on sale of individual claims and sale of portfolio of claims up to 5% of the own assets of the Bank;
14. establishes inventory commissions for the purpose of inventory of assets and asset sources, a commission for writing-off and sale of fixed assets and small inventory, and when required establishes other commissions and working bodies for performance of other activities and appoints their members;
15. adopts a Decision on the interest rates and tariffs of the Bank;
16. decides on the establishment of working relations, deployment, remuneration and material responsibility of employees in accordance with legal regulations and Bank's acts or can delegate these authorities to other employees;
17. Adopts and act of grouping the working positions in relevant complexity groups, determined through coefficient with cash amount;
18. determines the draft decisions and other acts that are approved by the Supervisory Board, with special attention to risk management policies, strategies and systems, in cooperation with the Risk Management Committee;
19. proceed the information to the shareholders of the Bank;
20. adopts internal acts on job systematization and job catalogue;
21. adopt general and separate acts of the Bank and guidelines for each operation and responsibility;
22. decides on the allocation of funds for sponsorship, advertising, propaganda and entertainment;
23. conclude a collective agreement with the Union if needed;
24. Approves the write-off of the claims up to maximum amount of individually insignificant claims approved with decision by Supervisory Board, as well as write-offs prescribed as mandatory by laws and bylaws, and
25. Adopts a policy on the manner of selection, monitoring the performance, and dismissal of other persons with special rights and responsibilities
26. performs other activities determined by the legal regulations, the Statute and other acts of the Bank.

Article 69

Management Board is responsible for:

1. Creating conditions for performance of the Bank in compliance with the regulations;
2. Managing and monitoring the risks to which the Bank is exposed in its operations;
3. Attaining and maintaining an adequate level of own assets;
4. Functioning of the internal control system in all fields of operations of the Bank;
5. Continuous operation of the Internal Audit of the Bank, i.e. ensures that the Internal Audit has access to documents and employees of the Bank in order to conduct its activities undisturbed;
6. Continuous operation of the organizational part in charge of the control of compliance of the operations of the Bank with the regulations, i.e. ensures that the organizational part has access to documents and employees of the Bank in order to conduct its authorizations undisturbed;
7. adopting and implementing a policy on the manner of selection of persons with special rights and responsibilities, other than members of the supervisory board, risk management committee, audit committee, and management board;
8. Keeping the trading and the other books and the business documentation of the Bank, preparing the financial and the other statements in compliance with the accounting regulations and the accounting standards;
9. Timely and accurate financial reporting;
10. Regularity and accuracy of the statements which are submitted to the National Bank in compliance with the law and the regulations adopted on the basis of the law and
11. Implementing the measures imposed on the Bank by the Governor.

Management Board submits information to the Supervisory Board for its operations at least once per quarter.

The Management Board is obliged to immediately notify the Supervisory Board about:

1. The deteriorated liquidity or solvency of the Bank;
2. The existence of a basis for cancellation of the license for establishment and operation or a prohibition on conducting a certain financial activity pursuant to the law;
3. The decrease in the own assets below the prescribed level in compliance with the law;
4. The supervision findings and the supervision of the National Bank and
5. The Public Revenue Office findings and the findings of other inspection bodies.

For the events of the previous paragraph, points 1, 2 and 3, the Supervisory Board is obliged to immediately inform the National Bank.

For the findings of paragraph 3, point 5, the Supervisory Board is obliged to immediately inform the National Bank, in case the findings significantly impact the financial condition of the Bank.

Any member of the Management Board is obliged to immediately notify the Supervisory Board provided that he/she or any other related persons to him/her gain control over another legal person.

The Management Board is obliged to regularly inform the Supervisory Board on all activities and changes in operations that are significant for the Supervisory Board's competencies, such as:

1. changes in risk management;
2. changes in solvency and liquidity position of the Bank and its financial state;
3. exceeding exposure limits and non-compliance of operations with legislation;
4. weaknesses in the internal controls system and in the operation of the control functions
5. cases that may cause non-adherence or non-compliance with legislation or regulatory requirements;

6. issues related to cases of protected reporting by a whistleblower in the Bank.

Article 70

The Members of the Management Board are legal representatives of the Bank.
The Bank at any time, is represented by any two members of the Management Board, jointly.

Article 71

By special act approved by the Supervisory Board, the Management Board rights and responsibilities are regulated, referring to the separation of acts that are approved and signed individually by the President of the Board, and for which acts approval from both members/all members/other member of the Board is required.

Board members can participate and decide at a meeting organized by the use of conference, telephone or by using other audio or visual communication equipment, and without holding a meeting by giving written consent to decisions that are made. Granting consent may be made by signature or by signature sent electronically on the draft decision. Decisions shall be considered adopted if all members of the Management Board provide written consent to the draft decision.

The Board has quorum if majority of all members participate in the meeting. The Decisions are passed with a majority of all members of the Board.

For the held meetings of the Management Board minutes are taken and prepared within three days from the holding of the session and are signed by all members of the Board who were present at the meeting.

The Management Board for certain issues related to the daily ongoing Bank's operations, within the scope of the Bank and procedures prescribed and adopt by appropriate Bank's authorities, can authorize the person among persons with special rights and responsibilities and other professional employees of the Bank, to act on behalf of the Bank and to represent the Bank.

Authorized persons referred to previous paragraph of this Article given rights cannot transfer to other employees without the consent of the Board.

Board adopts decisions, instructions and other acts defining the manner of signing, initialing of the acts and delegating rights to sign the acts.

Article 72

Persons with special rights and obligations shall work exclusively in the interest of the bank and its customers and act with a diligence of a prudent businessman.

Should the persons with special rights and responsibilities ascertain that the decision of the bodies of the Bank is contrary to the law or any other regulations adopted on the basis of law or that the contents of the decision may jeopardize the liquidity of the Bank and its stability and reliability, they are obliged to notify the Supervisory Board and NBRNM in writing.

INTERNAL AUDIT OF THE BANK

Article 73

The Supervisory Board of the Bank sets up the Internal Audit Function, as an independent operational part of the Bank.

The Internal Audit conducts a permanent and complete control of the legitimacy, accuracy and promptness of the Bank's operations through:

- monitoring the implementation of the internal procedures and policies and the code of ethics of the Bank;
- assessment of the overall efficiency in the banking operations;
- monitoring the compliance with the legal provisions;
- evaluation of the adequacy and the efficiency of the internal control systems;
- monitoring the implementation of the risk management procedures;
- assessment of the implementation of the risk management policies;
- assessment of the structure of the information system;

- assessment of the accuracy, legitimacy and the promptness of the notification pursuant to the regulations;
- assessment of the money laundering prevention systems;
- assessment of the services which the Bank receives from companies providing auxiliary services to the Bank;
- assessment of the accuracy and the legitimacy of the trading books and the financial statements.

The Internal Audit acts preventively and instructively and is independent in the performance of its operations.

The Internal Audit notifies the Supervisory Board of the Bank concerning the performed controls and the potential risks regarding the financial position of the Bank.

Article 74

The employees in the Internal Audit perform merely the function of the internal audit and at least one of them is a certified auditor.

The organizational structure, the rights and responsibilities and the relations with the other organizational parts of the Bank, as well as the responsibility and the conditions for appointment of the responsible person of the Internal Audit Function are determined by the Supervisory Board.

Article 75

The person, i.e. the employees, in the organizational part performs only the activities under Article 74 of this Statute and is independent in the performance of the activities within his/their competence.

The employees of the Bank are obliged to allow an insight into the documentation at their disposal to the person, i.e. the employees of the organizational part and provide all the requested information.

The person, i.e. the head of the organizational part under paragraph 1 of this Article submits a quarterly report to the Supervisory Board regarding its operations.

IT Steering Committee

Article 76

Supervisory Board establishes the IT Steering Committee as a body of the Bank.

The IT Steering Committee is consisted of 9 (nine) members.

Supervisory Board appoints members of the IT Steering Committee. Committee members are:

- member of the Management Board responsible for organizational part for IT as President of the Committee,
- responsible person for finance,
- responsible person for banking operations,
- responsible person for digital channels and organization,
- responsible person for IT,
- CISO,
- two representatives from the Group,
- the representative of the Internal Audit without voting right.

Members of the IT Steering Committee should have good knowledge in the field of information technology, and procedures and instructions for information technology.

The mandate of the IT Steering Committee members is 4 (four) years.

IT Steering Committee performs its activities on sessions, which are held whenever required, at least on quarter bases, and submits quarterly reports to the Supervisory Board and Management Board.

IT Steering Committee debate and decide if on the session is present majority of all Committee members. IT Steering Committee decides with majority of all Committee members. Members of the IT Steering Committee can participate and decide at a meeting organized by the use of conference, telephone or by using other audio or visual communication equipment. The sessions may be also organized by circulation, via e-mail and written consent by all members.

For the operation of the IT Steering Committee minutes are prepared and are adopted at the next session.

Article 77

IT Steering Committee shall:

- submit reports on the status of the information technology and open issues to the Supervisory Board and the Management Board of the Bank;
- make recommendations to the Supervisory Board and the Management Board regarding strategies, policies and major expenditures in the field of information technology that are approved by the Supervisory Board or Management Board;
- provides effective information technology planning and monitoring capacity of the system of information technology and its performance;
- monitor the development of strategic plans of Information Technology;
- approved suppliers in regarding the information technology and monitor their financial condition;
- approve and monitor major projects, the Information Technology budget, priorities, standards, procedures and system performance;
- coordinates the priorities between the Directorate for digital channels and organization and IT Directorate;
- monitor the adequacy of resources of information technology in terms of people, equipment, contracts with service providers;
- monitoring of IT planning and strategy;
- monitoring the development and execution of operational plans;
- approval of hiring external providers of IT services and monitoring their financial condition;
- review of risk analysis for outsourcing;
- monitoring the status of active projects referring to IT;
- discussing the reports of incidents reported and propose steps aimed at eliminating or reducing the significant and more frequent incidents;
- discussing the reports from emergency responsible person for ISM.

Article 78

Detailed provisions for the operation of the Bank's IT Steering Committee are prescribed by Rules of Procedure for IT Steering Committee, which is approved by the Supervisory Board of the Bank.

Remuneration and Nomination Committee

Article 79

The Supervisory Board establishes a Remuneration and Nomination Committee as body of the Bank.

The Remuneration and Nomination Committee is consisted of 3 (three) members, from the ranks of the Supervisory Board members, which are being appointed and discharged with a decision of the Supervisory Board.

The President of the Supervisory Board of the Bank and at least one independent member of the Supervisory Board are mandatory members of the Remuneration and Nomination Committee.

Term of office of the members of the Remuneration and Nomination Committee is in accordance with the term of office of the respective members within the Supervisory Board.

The Remuneration and Nomination Committee operates on meetings that are convened when necessary, at least once annually.

Article 80

The Remuneration and Nomination Committee decides upon issues within its scope of competences and in accordance with the applicable legislation, Statute of the Bank, Remuneration Policy, Code of Corporate Governance and other internal acts of the Bank that concern remuneration and nomination of board members.

The Remuneration and Nomination Committee performs the following activities:

1. reviews and regularly updates the Remuneration Policy;
2. present proposals for appointment and/or dismissal of the members of the Supervisory Board, Management Board and the legally prescribed committees, defining the criteria and the rules for appointing those members
3. pre-approves the remunerations of Supervisory and Management Board Members, as well as the identified control functions;
4. decides on other issues in compliance with the law, the Statute and other rules and regulations.

Detailed provisions for the of work of the Remuneration and Nomination Committee are determined and with the rules of procedure of the Remuneration and Nomination Committee, which are subject of approval by the Supervisory Board of the Bank.

Professional bodies

Article 81

The Supervisory Board may constitute other committees and boards from the ranks of its members that assist the implementation of part of its competencies

Supervisory Board referring to some specific matters within the scope of the Banks' operations can establish advisory bodies and the members shall be elected from the group representatives as well as Bank's employees.

Management Board referring to some specific matters within the scope of the Banks' operations can establish: Board of the senior management, Committees, Working Groups and other bodies, composed of Banks' employees.

Article 82

The Board that has formed the body, with a decision determines and regulates the scope of operations, competence, responsibilities, number of participants and composition of the new consisted professional bodies.

At the meetings of the professional bodies other managers, professionals or other employees may participate.

The professional bodies consider all issues from the Banks' operations for which have received approvals by the Board.

XIII. INTERNAL CONTROLS SYSTEM AND CONTROL FUNCTIONS

Article 83

The Supervisory and Management Board of the Bank are obliged to establish internal controls system that ensures:

- efficient banking operations;
- activities according legislation;
- appropriate identification, measuring and control/reducing of risks;
- evaluation of efficiency and suitability of control functions and of entire corporate governance, including evaluation of quality and reporting system to Supervisory and Management Board and efficiency of internal control system;
- accuracy of information and data and timely submission to Bank's bodies, to interested parties and general public;

- appropriate operative and accounting procedures.

Manner of implementation of internal controls system should be regulated with internal acts that are available to Bank's employees.

Article 84

The Supervisory and Management Board of the Bank are obliged to ensure total independence of the control functions by:

- establishing appropriate organizational structure of control functions with their individual separation and separation from activities that are subject of their control;
- appointing persons competent for control functions that are not subordinated to persons competent for activities that are subject of their control;
- ensuring sufficient human and material resources for independent, objective and efficient performing of control functions;
- configuration of functions that should enable avoiding conflict of interests;
- ensuring uninterrupted access to all employees in the Bank and to information needed for efficient implementation of the specific control function;
- establishing manner of remuneration of persons included in performing individual control functions which is not related to the success of activities subject of their control;
- establishing mechanism for uninterrupted cooperation between persons included in performing individual control functions and remaining employees in the Bank.

Persons competent for control functions should have unlimited access to Supervisory Board members in the Bank and to be able to report to them on significant weaknesses, shortcomings or risks they identified in performing of their function.

The Supervisory Board of the Bank should be informed on the dismissal of person responsible for risk management and for the person competent for control of compliance with regulations, as well as for the reasons for dismissal of the respective person.

XIV. PERSONS WITH SPECIAL RIGHTS AND RESPONSIBILITIES

Article 85

Persons with special rights and responsibilities in the Bank are:

- the members of the Supervisory Board of the Bank;
- the members of the Management Board of the Bank;
- the members of the Audit Committee;
- the members of the Risk Management Board
- the other persons with special rights and responsibilities defined as such with the Job Catalogue of the Bank, approved by the Management Board of the Bank.

The Persons with special rights and responsibilities for which according to the local applicable regulation, pre-approval from NBRNM is required and obligatory, cannot be appointed without obtaining this form of consent.

The other persons with special rights and responsibilities appointed by the Management Board of the Bank are persons who conduct and perform the activities and the tasks related to the day-to-day operations of the Bank within the framework of the organizational structure of the Bank, the legislation and the acts approved by the relevant bodies.

As other persons with special rights and responsibilities, defined as persons with special rights and responsibilities in the job catalogue of the Bank approved by the Management Board, are mandatory considered heads of division and organizational units who are directly responsible to

the Management Board. Other persons with special rights and responsibilities are also the Chief of Cabinet of the Management Board as well as the head of the organizational part responsible for the internal audit function.

The mandate, competences, rights, responsibilities and terms of appointing of the other persons with special rights and responsibilities are being determined with a separate internal act adopted by the Management Board of the Bank. The mandate, competences, rights, responsibilities and terms of appointing of the Head of the organizational part responsible for the internal audit function are adopted by the Bank's Supervisory Board.

The persons with special rights and responsibilities realize the rights related to labor relation pursuant to the contract on regulation of relations, concluded between the Management Board and the person with special rights and responsibilities in compliance with the law. The mandate of the persons with special rights and responsibilities appointed by the Management Board of the Bank may be 1,2,3 or 4 years or period in accordance with the decision for appointment, with options for re-election.

The persons with special rights and responsibilities in the Bank must have appropriate tertiary education and must be familiar with the banking and/or finance regulations, shall know the rules of good corporate governance and must have suitable experience which provides reliable and stable management of the Bank.

A person with special rights and responsibilities may not be:

1. member of the Council of the National Bank;
2. employee of the National Bank;
3. person who was imposed a security measure or ban on performing a profession, activity or duty;
4. person without reputation, thus compromising the safe and sound bank operations;
5. person who fails to comply with the provisions of the Banking Law and the regulations adopted on the basis of this law and/or failed or has failed to implement and/or acted or has been acting contrary to the measures stated by the Governor, that compromised or have been compromising the safety and soundness of the bank,
6. member of a Supervisory Board, Risk Management Committee, Audit Committee or a Management Board of another bank or an employee of another bank;
7. person who performed function of a person with special rights and responsibilities in a bank or another legal entity in which administration has been initiated, or against which a bankruptcy or liquidation procedure have been initiated, unless unambiguously determined on the basis of the available documentation and data that the person was not involved in any action that led to the introduction of administration, a bankruptcy or liquidation procedure or performed such function immediately prior or after the occurrence of the reasons that led to the introduction of administration, initiation of a bankruptcy or implementation of a liquidation procedure.

For a person without reputation shall be also considered a person convicted with a final court verdict for unconditional prison sentence in duration longer than six months, until the legal consequences from the verdict are still effective.

A member of the Management Board of the Bank shall be deemed not to have a reputation also in cases when there is an associate, concerned with the circumstances of the previous paragraph of this Article.

A member of Management Board of the Bank can concurrently be a member of no more than two supervisory bodies or a non-executive member of a board of directors in no more than two non-bank financial institutions or non-financial institutions.

A member of Supervisory Board of the Bank may concurrently be:

- member of one management body and one supervisory body or exercise one function of an executive and one function of a non-executive member of a board of directors in non-bank financial institutions or non-financial institutions; or
- member of three supervisory bodies or exercise three functions of a non-executive member of a board of directors in non-bank financial institutions or non-financial institutions.

A member of a management board of a bank may not concurrently be a manager, a management board member or an executive member of a board of directors in any domestic or foreign company.

The limitations of paragraph 10, 11 and 12 of this Article shall not apply to membership in:

- 1) bodies of non-profit organisations on voluntary basis and without remuneration; and
- 2) bodies of companies belonging to the same banking group in the Republic of North Macedonia or abroad.

In case the Bank, as a part of a banking group, is implementing policies of the group, the members of the Supervisory and/or Management Board must make sure that such policies are appropriate for the Bank and in accordance with the laws of the Republic of North Macedonia and with National Bank standards.

Article 86

The persons with special rights and responsibilities perform the operations for which they are authorized pursuant to the law, the general acts of the Bank and the operations that the Management Board shall transfer by means of a special act.

The persons with special rights and responsibilities organizes, coordinates and managed with activities within the scope of their responsibilities.

The Policy on the manner of selection, monitoring the performance and dismissal of other persons with special rights and responsibilities prescribes the manner on which the Management Board performs evaluation of properness of other persons with special rights and responsibilities.

XV. BANK'S EMPLOYEES

Article 87

Employees of the Bank exercise their rights and obligations in accordance with the Law, Collective Agreements and General Acts of the Bank.

The General Acts and Decisions which closely regulate the obligations and responsibilities of the employees are adopted by the Supervisory Board or Management Board in accordance with the Law, Collective Agreement and this Statute.

XVI. CONFLICT OF INTEREST

Article 88

The persons with special rights and responsibilities are obliged on a regular basis, every six months, to submit a written statement of existence or non-existence of conflict of personal interest with the interest of the Bank.

Personal interest of the persons under paragraph 1 of this Article further implies the interests of the persons related to them.

A conflict of personal interest with the interest of the Bank exists when the decision-making, concluding contracts and conducting other business activities affects the material or any other kind of business and family interests of the persons under paragraphs 1 and 2 of this Article.

The realization of material, business and family interest implies realization of monetary or another kind of benefit, either directly or indirectly, for the persons mentioned under paragraphs 1 and 2 of this Article.

The persons under paragraph 1 of this Article may not accede to reviewing and adopting decisions, concluding contracts or performing other business activities provided that their objectivity is put into question due to the existence of a conflict of personal interest with the interest of the Bank.

Should a conflict of interests exist, a written statement is submitted also prior to the holding of the meeting on reviewing and adopting decisions, concluding contracts and performing another business activity.

The written statements under paragraphs 1 and 6 of this Article are submitted to the Supervisory Board and the Management Board of the Bank indicating the basis of the conflict of the personal interest with the interest of the Bank.

The Supervisory Board and Management Board monitor the implementation of Policy on avoiding conflict of interests.

Provided that the person under paragraph 1 of this Article conceals the existence of a conflict of interests, the National Bank or another person who has a legal interest may, in compliance with the law, request from the competent court cancellation of the legal matter.

Article 89

The interest is regarded as a material one provided that the members and the persons realize material benefit, i.e. business and family interests for another legal person of which they are either direct or indirect owners or they realize a mutual interest or they manage that legal person.

Article 90

Provided that the members or the persons under this section Conflict of interest conceal the existence of a material interest or a conflict of interests in compliance with these provisions, the competent court upon the request of the National Bank or a shareholder of the Bank may suspend the contract or the legal matter.

XVII. PROCEDURE FOR ADOPTING AND AMENDING THE STATUTE AND THE OTHER ACTS OF THE BANK

Article 91

The relations in the Bank are regulated by the Statute and other general acts of the Bank. The Statute is a fundamental general act of the Bank, regulated in compliance with the regulations. Each and every provision of the Statute or the other acts of the Bank which are contrary to the regulations is annulled.

The other general acts of the Bank are in compliance with the Statute of the Bank. Otherwise, the provisions of the Statute shall apply.

Article 92

Other general acts of the Bank are policies, procedures, decisions, rulebooks, guidelines, instructions, rules of procedure of the bodies and other acts.

Article 93

The proposal of the general acts, which as provided by this Statute, is to be adopted by the Assembly of the Bank, is prepared and determined by the Supervisory Board of the Bank.

The Supervisory Board of the Bank may establish work groups for the purpose of preparation of the draft general acts of the Bank.

The Supervisory Board determines the text of the draft Statute, which is submitted to the Assembly of the Bank for adoption. The Bank shall file an application and obtain a prior approval from the Governor for amendment to the Bank's Statute.

The procedure for the amendments and modifications to the general acts adopted by the Assembly of the Bank is the same as for their adopting.

Article 94

The proposal of the general acts, which as provided by this Statute, is to be adopted by the Supervisory Board of the Bank, is prepared and determined by the Management Board of the Bank.

The procedure for the amendments and modifications to the general acts adopted by the Supervisory Board of the Bank is the same as for their adopting.

Article 95

The Management Board of the Bank adopts the individual acts of the Bank on the basis of the legal authorizations, authorizations of this Statute and the other general acts of the Bank.

XVIII. BANKING SECRET

Article 96

The documents, data and information which have been acquired in the conducting of banking and other financial activities for individual persons and transactions with individual persons, as well as for the deposits of individual persons represent a banking secret which the Bank is obliged to protect and keep.

Article 97

The persons with special rights and responsibilities, the shareholders and the employees of the Bank, as well as the persons who by providing services to the bank have access to the aforementioned documents, data and information which have been acquired in the conducting of banking and other financial activities for individual persons and transactions with individual persons are obliged to keep them, and may only use them for the purposes they have been obtained and may not be disclosed to third persons.

The obligation under paragraph 1 of this Article does not apply to the following cases provided that:

- The releasing of the data and information is prescribed by law and
- The person has granted a written approval of releasing the data.

For the persons with special rights and responsibilities and employees of the Bank the obligation under paragraph 1 of this Article does not apply in the cases stipulated by the provisions of the Banking Law.

The persons who in compliance with paragraph 3 of this Article have come in contact with the documents, data and the information are obliged to keep them, and may only use them for the purposes they have been obtained. They may not be disclosed to third persons unless in cases and procedures stipulated by law.

The obligation under paragraphs 1 and 14 of this Article remains upon the termination of employment, i.e. upon the termination of the basis and the status on the basis of which access to the data considered as banking secret has been realized.

XIX. INFORMATION

Article 98

The business of the Bank is public.

The Bank in the head office has to keep the acts and documentation that according to the provisions of the Trade Company Law are considered as mandatory.

Article 99

Each shareholder is entitled to inspect the acts and the documents of the Bank in accordance with the Law.

The shareholder for exercising the right to information on submission the request for inspection shall inform the Bank regarding the inspection. The inspection shall be performed at the special premises of the Bank.

The shareholder cannot publicly announce or present the information provided through inspection, except if the shareholders use them for providing before a competent body a certain right determined by law.

In case of publication or other misappropriation of the information provided by conducted inspection, the shareholder is entitled to provide explanation to the Bank regarding resulted damage to the Bank.

Article 100

The shareholders, clients and other third parties are informed for the Bank's activities and operations through the Bank's web page or by other manners of informing in accordance with Law.

In the act adopted by the Supervisory Board are defined the manner, form and components of the information and reports that shall be disclosed and are considered as significant for the shareholders.

XX. MANNER OF DISPUTE SETTLEMENT BETWEEN THE SHAREHOLDERS OF THE BANK

Article 101

The disputes between the Bank's shareholders shall be settled amicably, with the Supervisory Board of the Bank as mediator.

The disputes between the Bank's shareholders that cannot be settled amicably shall be settled in front of an arbitration tribunal or a regular court.

XXI. PROTECTION AND SECURITY

Article 102

The bodies of the Bank are responsible for performing and preparations for the taking necessary activities for providing protection according to the existing laws and rules and regulations of the Bank.

XXII. TERMINATION OF THE OPERATIONS OF THE BANK

Article 103

The Bank terminates its operations:

- When the Assembly of the Bank adopts a decision on termination;
- When the National Bank withdraws the bank license;
- Statutory changes which lead to losing the status of an independent legal person;
- Initiating bankruptcy proceedings.

XXIII. PROTECTION AND PROMOTION OF THE ENVIRONMENT

Article 104

The Bank is responsible for the protection and promotion of the environment. In pursuit its credit operations the Bank evaluates if required and/or approved loans are or shall be used for equipment and facilities that pollute the environment.

Within the acts of the business policy closer shall be defined the criteria governing the Bank to protect the environment.

The bank is obligated to provide funds for environmental protection in the premises of the bank and beyond, creating the conditions for normal and healthy environment for the customers and employees.

XXIV. CLOSING AND FINAL PROVISIONS

Article 105

The provisions of the positive law and bylaw regulations shall apply for the issues that are not provided by this Statute.

Article 106

By means of adoption of this Statute, the revised text of the Statute as of 26.07.2023 is no longer valid.

Article 107

The Assembly of the Bank provides authentic interpretation of the Statute.

Article 108

This Statute becomes effective upon approval and shall be in use after obtaining necessary approbation by the Governor of the National Bank and adoption by the Assembly of Shareholders.

SUPERVISORY BOARD
President
Georg Bucher