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REPORT ON SUPERVISORY BOARD ACTIVITIES IN 2023, COLLECTIVELY AND FROM THE ASPECT OF INDIVIDUAL MEMBERS

1. Manner of functioning of the Supervisory Board and cooperation with the Management Board

The Supervisory Board of Sparkasse Bank AD Skopje (hereinafter: the Bank) performs its activities according to the current legislation, the Bank's Statute, Decisions of the Shareholders Assembly, the Code of Corporate Governance and the Rules of Procedure for organization and operation of the Supervisory Board. This body of the Bank adopts the Bank's business policy and monitors its implementation, whereof is actively included in the supervision of the Bank's operations, is up to date with the significant changes in its operations and its surroundings and is timely acting in order to protect the Bank's long-term goals.

The Supervisory Board, together with the Management Board, establishes and promotes corporate culture and values in the Bank, taking into consideration the defined standards and norms of ethics in consideration and determines the acceptable level of risk, as well as the 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 the business policy, financial plan, internal capital determining process and the remuneration system.

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. This Board is responsible for ensuring the good performance of the Bank and its management and stability, as well as timely and accurate financial reporting to the National Bank.

In performing of 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 other regulatory institutions.

In accordance with the Banking Law, the Supervisory Board members must be reliable and have the expertise to perform their control function and to monitor and supervise the Bank's activities. The Supervisory Board appoints, supervises and advises the Management Board members and is directly involved in decisions which are of fundamental importance to the Bank. The Management Board regularly reports to the Supervisory Board about the business policies and other fundamental matters relating to assets, liabilities, financial situation and results, as well as its risk situation, especially about the risks management and its control.

The Management Board members attended to all Supervisory Board meetings, where through transparent and open discussions provided additional information and explanations for submitted proposals and reports. The Supervisory Board and the Management Board members regularly discussed about the conditions in the banking sector, the economy of Republic of North Macedonia, as well as for other circumstances that can affect the operations of the Bank.

The Supervisory Board is consisted in that way, that its members, as a group, possess the necessary knowledge, ability and expert experience to properly complete its tasks. Additionally, the SVB members should have sufficient time to perform their duties. The composition of the Supervisory Board ensures qualified control and advice to the Management Board of the Bank, as member of an internationally positioned and broadly present financial Group and preserves

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the reputation of the Sparkasse Group among the public. In this regard, special attention is paid on the integrity, personality, willingness to perform, professionalism and independence of the individuals appointed as SVB members. The objective is, the Supervisory Board as a group, to have the knowledge and experience which are essential in consideration of the activities of Sparkasse Bank.

The Supervisory Board respects diversity when proposing appointment of SVB members. In view of international experience, professional engagement and private lives, four of the SVB members who are representatives of the majority Shareholder's in the Board, are located abroad. Additionally, most of the SVB members have several years of international experience as members of management or supervisory boards or other committees. From the gender diversity point of view, the structure of the Board in 2023 included two female representatives. Regarding the legislation, the SVB has an adequate number of independent members in 2023, i.e. two of seven members are independent members.

2. Structure of the Supervisory Board Members and attendance on meetings


Supervisory Board of Sparkasse Bank AD Skopje in 2023 was consisted of seven members, for all of which the Governor of the National Bank of Republic of North Macedonia issued previous consent for their appointment to the Bank's Supervisory Board. In the reporting period, the mandate of the existing independent member Kristijan Polenak has expired as of 21.09.2023. On the Shareholders Assembly meeting held on 24.07.2023, Tatjana Shishkovska was appointed as new independent SVB member, and the Governor of the National Bank of RNM issued approval on 01.11.2023.

In 2023 the Supervisory Board conducted its activities with the following members:

- **Georg Bucher** – President of the Supervisory Board
- **Walburga Seidl** – Deputy-President of the Supervisory Board
- **Hans Ludwig Diexer** – Member of the Supervisory Board
- **Slavisa Kojic** – Member of the Supervisory Board
- **Gligor Bishev** – Member of the Supervisory Board
- **Kristijan Polenak** – Independent Member of the Supervisory Board until 21.09.2023
- **Goran Petrevski** – Independent Member of the Supervisory Board
- **Tatjana Shishkovska** – Independent Member of the Supervisory Board from 13.11.2023.

The following table displays all the Supervisory Board members, with their age, principal occupation and other memberships in supervisory and/or management bodies:

Member:	Georg Bucher
Position:	Member of Management Board
Company:	Steiermärkische Bank und Sparkassen AG
Date of birth:	1962
First appointment:	08.2019
Term of office:	11.2024
Member of the Supervisory	• President of the SVB of Sparkasse Bank AD Skopje

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Board and other memberships	(representative of the majority shareholder) <ul style="list-style-type: none"> • President of the Audit Committee of Sparkasse Bank AD Skopje • Member of the Nomination and Remuneration Committee of Sparkasse Bank AD Skopje • Member of the Supervisory Board of Kärntner Sparkasse AG • Deputy President of the Supervisory Board of Erste Digital GmbH. • President of the Supervisory Board of Sparkasse IT Holding AG • Deputy President of the Supervisory Board of Banka Sparkasse d.d. Ljubljana • Deputy President of the Supervisory Board of Erste Banka a.d. Novi Sad • Deputy President of the Supervisory Board of Erste & Steiermärkische Bank d.d. • Deputy President of the Supervisory Board of SKB Industrieholding GmbH Austria • Manager of Christine Kunz Gesellschaft mbH Austria • Manager of SKW Privatstiftung
Remuneration for membership in the boards of the Bank	The members of the Supervisory Board who are nominated by the Shareholder and are employed by Erste Group entities are not eligible for receiving remuneration for the work in bodies of Sparkasse Bank AD Skopje
Meeting attendance in 2023	The SVB President attended to 6 meetings in 2023
Member:	Walburga Seidl
Position:	Management Board Member
Company:	Steiermärkische Bank und Sparkassen AG
Date of birth:	1973
First appointment:	11.2008
Term of office:	11.2024
Member of the Supervisory Board and other memberships	<ul style="list-style-type: none"> • Deputy-President of the SVB of Sparkasse Bank AD Skopje (representative of the majority shareholder) • Deputy-President of the Audit Committee of Sparkasse Bank AD Skopje • Deputy-President of the SVB of Sparkasse Bank DD Sarajevo • Member of the Supervisory Board of Erste & Steiermärkische Bank d.d. • Member of the Advisory Committee of S-Leasing Süd GmbH
Remuneration for membership in the boards of the Bank	The members of the Supervisory Board who are nominated by the Shareholder and are employed by Erste Group entities are not eligible for receiving remuneration for the work in bodies of

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	Sparkasse Bank AD Skopje
Meeting attendance in 2023	The SVB Deputy President attended to 6 meetings in 2023
Member:	Hans Ludwig Diexer
Position:	Head of Finance
Company:	Steiermärkische Bank und Sparkassen AG
Date of birth:	1967
First appointment:	05.2012
Term of office:	11.2024
Member of the Supervisory Board and other memberships	<ul style="list-style-type: none"> • Member of Supervisory Board of Sparkasse Bank AD Skopje (representative of the majority shareholder) • Member of Audit Committee of Sparkasse Bank AD Skopje
Remuneration for membership in the boards of the Bank	The members of the Supervisory Board who are nominated by the Shareholder and are employed by Erste Group entities are not eligible for receiving remuneration for the work in bodies of Sparkasse Bank AD Skopje
Meeting attendance in 2023	The SVB Member attended to 6 meetings in 2023
Member:	Slavisa Kojic
Position:	Deputy Head of SEE Strategy and Business Development
Company:	Steiermärkische Bank und Sparkassen AG
Date of birth:	1978
First appointment:	05.2015
Term of office:	11.2024
Member of the Supervisory Board and other memberships	<ul style="list-style-type: none"> • Member of the Supervisory Board of Sparkasse Bank AD Skopje (representative of the majority shareholder) • Member of the Audit Committee of Sparkasse Bank AD Skopje • President of the Remuneration and Nomination Committee of Sparkasse Bank AD Skopje • Managing director of KoKoMa OG Graz • President of the Supervisory Board of Sparkasse Leasing DOO Skopje
Remuneration for membership in the boards of the Bank	The members of the Supervisory Board who are nominated by the Shareholder and are employed by Erste Group entities are not eligible for receiving remuneration for the work in bodies of Sparkasse Bank AD Skopje
Meeting attendance in 2023	The SVB Member attended to 6 meetings in 2023
Member:	Gligor Bishev

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Position:	President of the Fiscal Council of RNM
Company:	Independent body for supervising of macroeconomic and fiscal policies in the country
Date of birth:	1958
First appointment:	01.2023
Term of office:	11.2024
Member of the Supervisory Board and other memberships	<ul style="list-style-type: none"> • Member of the Supervisory Board of Sparkasse Bank AD Skopje (representative of the majority shareholder) • Member of the Supervisory Committee of Finance Think
Remuneration for membership in the boards of the Bank	Fixed annual net remuneration in amount of EUR 6.000, which is paid proportionally for the time period the respective Supervisory Board member actually exercised his/her mandate plus EUR 300 in net amount attendance fee per meeting (in MKD counter value according to middle exchange rate of NBRNM on the day of payment).
Meeting attendance in 2023	The SVB Member attended to 5 meetings in 2023

Member:	Kristijan Polenak
Position:	Managing Partner
Company:	Law firm "Polenak"
Date of birth:	1970
First appointment:	05.2011
Term of office:	09.2023
Member of the Supervisory Board and other memberships	<ul style="list-style-type: none"> • Independent member of the Supervisory Board of Sparkasse Bank AD Skopje until 21.09.2023 • Member of Remuneration and Nomination Committee of Sparkasse Bank AD Skopje until 21.09.2023
Remuneration for membership in the boards of the Bank	Fixed annual net remuneration in amount of EUR 6.000, which is paid proportionally for the time period the respective Supervisory Board member actually exercised his/her mandate plus EUR 300 in net amount attendance fee per meeting (in MKD counter value according to middle exchange rate of NBRNM on the day of payment).
Meeting attendance in 2023	The independent SVB member attended to 5 meetings in 2023

Member:	Goran Petrevski
Position:	Professor

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Company:	Faculty of Economics, University St. Kiril and Methodius Skopje
Date of birth:	1970
First appointment:	12.2021
Term of office:	11.2024
Member of the Supervisory Board and other memberships	<ul style="list-style-type: none"> Independent member of the Supervisory Board of Sparkasse Bank AD Skopje
Remuneration for membership in the boards of the Bank	Fixed annual net remuneration in amount of EUR 6.000, which is paid proportionally for the time period the respective Supervisory Board member actually exercised his/her mandate plus EUR 300 in net amount attendance fee per meeting (in MKD counter value according to middle exchange rate of NBRNM on the day of payment).
Meeting attendance in 2023	The independent SVB member attended to 6 meetings in 2023
Member:	Tatjana Shishkovska
Position:	Partner
Company:	Law firm "Polenak"
Date of birth:	1980
First appointment:	11.2023
Term of office:	11.2024
Member of the Supervisory Board and other memberships	<ul style="list-style-type: none"> Independent member of the Supervisory Board of Sparkasse Bank AD Skopje Member of Remuneration and Nomination Committee of Sparkasse Bank AD Skopje
Remuneration for membership in the boards of the Bank	Fixed annual net remuneration in amount of EUR 6.000, which is paid proportionally for the time period the respective Supervisory Board member actually exercised his/her mandate plus EUR 300 in net amount attendance fee per meeting (in MKD counter value according to middle exchange rate of NBRNM on the day of payment).
Meeting attendance in 2023	The independent SVB member attended to 1 meeting in 2023

3. Execution of the Supervisory Board duties

During the reporting period, in accordance with the local legislation, the Supervisory Board held six meetings in total that were organized in the business premises of the Bank or via video conferences. Ten additional sessions were held through written correspondence as a result of the need for support to the operational functions of the Bank. In 2023 the following meetings were held:

1. Meeting of the Supervisory Board on 30.01.2023 through videoconference
2. Meeting of the Supervisory Board on 28.02.2023 in the business premises of the Bank

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3. Meeting of the Supervisory Board on 31.03.2023 through written correspondence
4. Meeting of the Supervisory Board on 19.04.2023 through videoconference
5. Meeting of the Supervisory Board on 28.04.2023 through written correspondence
6. Meeting of the Supervisory Board on 26.05.2023 in the business premises of the Bank
7. Meeting of the Supervisory Board on 06.06.2023 through written correspondence
8. Meeting of the Supervisory Board on 22.06.2023 through written correspondence
9. Meeting of the Supervisory Board on 29.06.2023 through written correspondence
10. Meeting of the Supervisory Board on 26.07.2023 through written correspondence
11. Meeting of the Supervisory Board on 30.08.2023 in the business premises of Steiermaerkische Bank und Sparkassen AG, Graz
12. Meeting of the Supervisory Board on 31.10.2023 through written correspondence
13. Meeting of the Supervisory Board on 17.11.2023 through written correspondence
14. Meeting of the Supervisory Board on 29.11.2023 through written correspondence
15. Meeting of the Supervisory Board on 06.12.2023 in the business premises of the Bank
16. Meeting of the Supervisory Board on 22.12.2023 through written correspondence

Supervisory Board oversees and advises the Management Board on its managing activities and all strategic decisions that consider the Bank as a whole which need to be reached with the approval of the Supervisory Board.

Pursuant to Article 89 of the Banking Law, the Members of the Supervisory Board on a quarterly basis reviewed the results of the Bank's operations, the reports from the Management Board, the Risk Management Committee and the Audit Committee activities, as well as the reports of the Internal Audit Directorate, the AML/CTF and Compliance Department and the Information Technology Steering Committee. The Supervisory Board also reviewed the reports on monitoring the credit, operational, liquidity, market and currency risk, report on fraud risk management, the Risk materiality assessment for 2022. The Supervisory Board reviewed the semi-annual compliance reports, the semi-annual information security reports, the annual report for complaint management for 2022, annual report of the Remuneration and nomination Committee for 2022, annual report on internal control system for 2023, as well as semi-annual complaint report for the complaints in the first half of 2023, decided on proposals which are within the competence of the Bank's Shareholders Assembly, approved the annual account and financial statements of the Bank, separate and consolidated, approved the proposal of the Audit Committee for appointment of audit company, reviewed the reports and minutes from NBRNM, approved the separated and consolidated Annual Report on the Bank's operations in 2022 and submitted a written opinion to the Bank's Assembly, reviewed the reports of the audit company and submitted a written opinions on the same to the Bank's Shareholders Assembly, passed Proposal decision for the Shareholders Assembly for appointing member of the Supervisory Board of Sparkasse Bank AD Skopje and exercised other powers in accordance with law.

In the frame of its responsibilities, the Supervisory Board reviewed the reports from internal audit for extraordinary audits and joint audits conducted with the Group audit, as well as the annual assessment of the work of internal audit in accordance with Quality Assurance and Improvement Program – 2022 and external qualitative assessment of the function for internal audit.

According to the legislation requirements and supporting the operational activities in direction of the defined strategy, the Supervisory Board approved the following internal acts:

1. Medium-term plan (Budget) for the period 2024-2028
2. Business Policy 2024 and Development Plan 2024-2028
3. Code of Corporate Governance version 8.0 and appointing contact person for shareholders and investors

4. Rules of procedure for organization and work of the Risk Management Committee of Sparkasse Bank AD Skopje version 3.2.
5. Rules of procedure for organization and work of the IT Steering Committee of Sparkasse Bank AD Skopje version 7.0
6. Rules of procedure for organization and work of the Audit Advisory Board 1.2 and Internal Audit Rulebook 7.0
7. Credit Policy of Sparkasse Bank v.1.1
8. Amended Decision for approval of nomination of memberships of MB members in other bodies, SVB no.34177/1-22 from 19.04.2023
9. Policy for managing complaints/compliments version 1.0
10. Internal Audit Annual Plan 2024 and Strategic Plan 2024-2026
11. Credit risk Strategy for 2023, version 1.0
12. Operational Risk Strategy, version 1.0
13. Liquidity Risk Strategy, version 4.0
14. Market Risk Strategy, version 5.0
15. Risk Strategy for 2023, version 1.0
16. Revised Remuneration Policy
17. Revised Risk Appetite Statement (RAS) and Supporting Metrics (SM) for period 2023-2027 for Sparkasse Bank AD Skopje
18. Risk Appetite Statement (RAS) and Supporting Metrics (SM) for period 2024-2028 for Sparkasse Bank AD Skopje
19. Local Supporting Metrics (SM) for period 2024-2028 for Sparkasse Bank AD Skopje
20. Revised Risk Appetite Statement (RAS) and Supporting Metrics (SM) for period 2024-2028 for Sparkasse Bank AD Skopje
21. Programme for effective reduction and management of identified risk of money laundering and terrorist financing of Sparkasse Bank AD Skopje version 2.0 and version 2.01
22. Policy for legal risk management v.4.2
23. Recovery plan for 2024
24. Approval guidelines for corporate clients version 2.2
25. Approval guidelines for retail version 2.1 and 3.0
26. Approval guidelines for micro clients version 2.1
27. Changes in the organizational structure of the Bank
28. Group documentation according to Group Policy Framework (414_072_002.00 Policy on Litigation Cases Reporting and Provisioning, 144_V_4.00 A1 ICAAP Policy, 322_V_3.1 B Statutory Reporting Standards - version 2.01, 367_V_1.2 B Policy for Non-Audit Services Pre-Approval Process – local version 001.00, 600_003.00 - Anti-Money Laundering, Know Your Customer, Counter Terrorist Financing, Foreign Account Tax Compliance Act and Common Reporting Standard Policy version 003.00, 414_502 Anti-Corruption Policy version 001.01, 318_V. 002.01_B1_BSM Investment Policy, 055_V. 002.01_A1_Product Development and Approval Process Policy, 081_V. 003.01_A1_Policy Framework, 159_V. 002.01_A1_Policy for unique identification of counterparties and uniform set-up of groups of connected customers through uCOIN solution, 161_V. 003.00_A1_Credit RWA Computation Policy, 202_V. 003.00_A1_Security Policy, 204_V. 003.01_A1_Policy for Physical Security, 170_V_2.01 B1 NPL Sales Policy, 380_V_001.00 A1 Capital Management Policy - version 001.00, 083_V. 005.02_A1_Forbearance, Non-Performing and Default Definition Policy, 139_V. 005.00_B1_Retail Credit Risk Management Policy - General requirements, 140_V. 005.00_B1_Retail Credit Risk Management Policy – Products, 141_V. 005.00_B1_Retail Credit Risk Management Policy – Collection Requirements,

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142_V. 003.03_B1_Retail Credit Risk Management Policy – Portfolio Management Reports, 180_V. 003.00_B1_Credit Application and Approval Process Policy, 207_V. 001.01_B1_Personnel Security Policy, 127_V_004.00 B1 OTC Derivatives Policy, 312_V. 003.00_B1_Business Data Management Policy, 310_V. 003.00_A1_Data and Reporting Governance Policy, 438_V. 001.00_A1_Archiving Policy for Retail Lending Products Documentation, 203_V_2.01 A Group Cyber and Information Security Policy, 414_603_002.00A Ad hoc Disclosure Policy version 002.00, 414_520_001.00_Policy Conflict of interest and Anti-Bribery & Corruption, version 001.00, 239_V. 1.01_A1_ILAAP Policy, 176_V. 004.00_A1_Responsible Financing Policy, 407_V_1.02 A1 Car Policy, Tax Code of Conduct Policy - version 001.01, Policy for External Audits and Reviews - version 002.01, Group Transfer Pricing Policy - version 001.01, 075_V. 1.01_B1_Credit Limit System Policy, 121_V. 3.01_B1_RICOS Policy, 99_V. 1.01_B1_Collateral Management Policy Part 2 Treasury Collateral, 208_V. 1.01_B1_Object and Asset Security Policy, 178_V.2.01_B1_Project Finance Policy, 147_V_002.00 Data Protection Policy – GDPP).

The Supervisory Board in 2023 adopted other decisions in the frame of its competences determined with the legal regulations, such as determining a draft decision for use and utilization of the achieved profit of the Bank for 2022, draft decisions for determining amendments of the Statute of the Bank, proposals for convening the shareholders' assemblies, allocation of responsibilities among Members of the Management Board, nominations for their memberships in other bodies, managerial agreements and remuneration packages for part of the MB Members, opening branch etc. SVB also prepared Report on the activities of the Supervisory Board in 2022, collectively and from aspect of its individual members, appointed members of the Assets and Liabilities Committee (ALCO) of the Bank, appointed members of the Risk Management Committee (RMC), appointed Tatjana Shishkovska for new Member of the Remuneration and Nomination Committee, appointed members of the IT Steering Committee (ITSC), reviewed the Management Letters for 2022 – audit of separate and consolidated etc.

In 2023, the Supervisory Board approved the following internal acts and proposals and reviewed the following information/reports:

- Approval of KPIs for 2023 for members of the Management Board
- Approval of KPIs for 2023 for control function holders
- Approval of a variable remuneration for 2022 for members of the Management Board
- Approval of a variable remuneration for 2022 for control function holders
- Annual Report on the Management Board activities in 2022
- Information for performed self-assessment by members of the SVB for 2022
- Information for performed self-assessment by members of the RMC for 2022
- Report on the activities of the Audit Committee in 2022, collectively and from aspect of individual members
- AML/CTF Risk Assessment of Sparkasse Bank AD Skopje for 2022/2023.

Based on the expiring mandate, the Supervisory Board approved re-appointing of Nedanoska as Deputy President of Management Board, with individual and collective assessment, and approved her Program for work. As a result of Bank's Statute amendment which includes enlarging the number of MB Members from 3 (three) to 4 (four), as well as based on the

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submitted resignation of Alvin Alicevic from the function Member of the Management Board, the Supervisory Board adopted a decisions for appointing two new members of the Management Board, that will be effective after receiving consent from the Governor of NBRNM, with individual and collective assessments and approved the proposed programs for work.

In accordance with the Banking Law and the Decision of the NBRNM on the rules for good corporate governance in a bank, the Supervisory Board in 2023 performed individual and collective annual assessments of the Supervisory Board and the legally prescribed committees.

4. Report on Supervisory Board activities from the aspect of individual members

- **Georg Bucher (SVB President)** – Management Board Member in Steiermärkische Bank und Sparkassen AG, where the adherence to the corporate culture and values is especially important, the best practices in corporate governance are being regularly followed and implemented and subsequently, all those values and practices are transferred to all Group members as common values. With his extensive banking experience, Bucher gave the following contributions to the Bank’s strategic development: successfully organized the work of the Supervisory Board and its committees, ensured regularly and timely convening of the SVB meetings, chairing the meetings paying particular attention to the specific topics and their respective importance with steering the discussions and dedicating appropriate time accordingly. Bucher signed the approved decisions and acts on behalf of the Supervisory Board. His active involvement in several Group projects which also include Sparkasse Bank, resulted with profound knowledge of the financial position and the risk profile of the Bank, which enables taking activities in direction of accomplishing organic and non-organic growth.

Bucher ensured the Bank continuously to maintain high levels of compliance and responsiveness in accordance with the local regulatory framework of the Republic of North Macedonia, most notably with the rules and regulations of the National Bank of the Republic of North Macedonia, as well as with the relevant Group policies and guidelines.
- **Walburga Seidl (Deputy-President)** – Management Board Member in Steiermärkische Bank und Sparkassen AG – The Deputy President of the Supervisory Board of the Bank possesses profound experience and knowledge which are appropriate for executing of her responsibilities. She fully understands the established system of corporate governance in the Bank, as well as the role of the Supervisory Board, and makes an active contribution to its efficient operation. As an expert in the risk management area, she contributed in defining the risk priorities and implementing the group policies for risk management in the Bank.
- **Hans-Ludwig Diexer (Member)** – Head of Finance in Steiermärkische Bank und Sparkassen AG – His profile is characterized by strategic thinking, integrity, determination and commitment for further improvement of the Bank’s operations. He has a deep understanding of the Group strategies and shared his knowledge in the area of finance, strategy and business model of Steiermärkische Bank und Sparkassen AG.
- **Slavisa Kojic (Member)** – Deputy Head of SEE Strategy and Business Development in Steiermärkische Bank und Sparkassen AG – has a wide knowledge of the regional markets, especially in the field of retail business. His long-term cooperation with Sparkasse Bank provides strategic and direct support to the Bank’s business activities.

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- **Gligor Bishev (Member)** – President of the Fiscal Council of RNM – With his long term academic and practical experience in monetary policy, banking and finance, Bishev successfully performs the responsibilities as Member of the Supervisory Board of the Bank and gives an active contribution in the successful functioning of this Board, with initiating of strategic discussions and giving of constructive proposals and directions for further improvement of Bank’s operations.
- **Kristijan Polenak (Independent Member until 21.09.2023)** – Managing partner in Polenak Law Firm – as independent member, with his rich experience he actively contributed in conducting the Supervisory Board activities, especially for the issues concerning law and legal regulations.
- **Goran Petrevski (Independent Member)** – Professor at University St. Cyril and Methodius in Skopje, at Faculty of Economics for bank management, monetary economy, international finances, banks and banking systems and risk management in the financial institutions. With his long-term academic and practical experience in the area of monetary economy, banking and finance, he successfully executes his responsibilities as SVB member of the Bank.
- **Tatjana Shishkovska (Independent Member from 13.11.2023)** – Partner in Polenak Law Firm – with her long-term professional knowledge and experience in the area of law, with accent on corporate law, as well as banking and finance law, acquired through engagement on various projects, mostly focused on corporate law issues, status change of legal entities, legal advising in project finance trough syndicated loans and secured claims, and financial arrangements of international financial institutions and international banks, Shishkovska successfully executes the tasks as independent member of the Supervisory Board of the Bank. Her knowledge of corporate governance in bank is on significant level, taking into consideration that she possesses more than 10 years working experience in corporate law.

The members of the Supervisory Board have a good reputation; respect the legal provisions and contractual obligations. Their cooperation with the supervisory and other competent bodies is at a high level. They fully respect the corporate culture and the values of the Bank and perform the function Supervisory Board member professionally and impartially.

5. Conflict of interest and taken measures

Based on the above stated, as well as on the self-assessment proceedings, the Supervisory Board evaluates that the Board performance from the aspect of the individual members and collectively is in accordance with the relevant national and group regulations, and adequately fulfils its purpose of controlling the operations and providing strategic guidance and support for the development of the Bank. During the reporting period, one of the members declared case of potential conflict of interest, where appropriate measures were undertaken. The SVB members regularly submitted statements for existence of conflict of interest in accordance with the legal requirements.

6. Assessment of adequacy of Supervisory Board Members

Pursuant to point 22 of the Decision on the rules for good corporate governance in a bank, as well as Article 49 paragraph 2 of the Statute of Sparkasse Bank AD Skopje, the Supervisory Board of Bank submits report on the results from the performed assessment of adequacy of the

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members of the Supervisory Board of Sparkasse Bank AD Skopje to the Shareholders Assembly.

The Supervisory Board of the Bank performed annual individual assessment for each SVB member, as well as collective assessment of the Board as a whole, where the members and the board are assessed positively and no activities have been identified that would require improvement or changes.

SUPERVISORY BOARD

President
Georg Bucher