

Item on the agenda: **16**
Proposer: **Supervisory board**

Material for the Annual Shareholders Assembly of NLB Banka AD Skopje

Proposal – decision for changes and amendments to the Statute of NLB Banka AD Skopje

The Supervisory board propose to the Shareholder's Assembly to adopt the following:

Decision for changes and amendments to the Statute of NLB Banka AD Skopje

In addition:

- Proposal – decision for changes and amendments to the Statute of NLB Banka AD Skopje

Skopje, May 2025

Annual Shareholders Assembly of NLB Banka AD Skopje

Proposal – decision for changes and amendments to the Statute of NLB Banka AD Skopje

Based on article 36, paragraph 1, item 1 of the Statute of NLB Banka AD Skopje, Shareholders Assembly of NLB Banka AD Skopje, at its meeting, held on 29.05.2025, adopted the following:

Decision for changes and amendments to the Statute of NLB Banka AD Skopje

Article 1

In the Statute of NLB Banka AD Skopje the following amendments and supplements are made:

In **Article 64 - d**, amendments are made in the **Area - Chief executive functions (CEO Area)**, namely the title of the second point:

- The Human Resources & Organization Division

Is amended and reads:

- The Human Resources Division

In the same **Area - Chief executive functions (CEO Area)**, after point 2, a new point is added which reads:

- Organization, business processes & project office Center

Article 2

In **Article 64-d**, amendments are made in the **Area Risk management functions (CRO Area)**, namely the title of the first point:

- The Restructuring and Workout Division

Is amended and reads:

- The Restructuring and Collection Division

Article 3

In the **Article 64-d**, after point 3 in the **Area Management functions with retail banking (CMO Area/ retail banking)**, and new point is supplemented which reads:

- Contact Center

Article 4

In **Article 74, paragraph 4, indent 9** which reads:

- The manager of Restructuring and Workout Division

Is amended and reads:

- The manager of Restructuring and Collection Division

Article 5

Throughout the text of the Statute of NLB Bank AD Skopje, the word "**Governor**" is replaced by the words "**Executive Board**" and in this direction, technical harmonization of the text of the Statute is carried out accordingly."

Article 6

With this decision, the Supervisory Board is authorized to prepare a consolidated text of the Statute in which the above amendments and supplements to the Statute will be introduced.

Article 7

This decision authorizes the Supervisory Board to adopt amendments to this Decision, at the request of the National Bank of the Republic of North Macedonia, in the procedure for obtaining the prior consent.

Article 8

The Decision comes into force upon obtaining the consent from the National bank of the Republic of North Macedonia for amendements and supplements of the Statute.

Chairman
of the Shareholders Assembly
of NLB Banka AD Skopje

Executive Summary

The amendments to the Statute are made due to the formation of new organizational units in the Bank and the change of titles of already existing organizational units in accordance with the Rulebook on the organization and systematization of NLB Bank AD Skopje and to align the Bank's Statute with the new amendments in the legal regulations.

Namely, an addition of two new organizational units is proposed, the Contact Center and the Organization, business processes & project office Center due to their separation as independent organizational units in the Bank, accordingly supplemented under the jurisdiction of the members of the Management Board, namely:

- 1. Organization, business processes & project office Center in the Area - Chief executive functions (CEO Area)**
- 2. Contact Center in the Area - Management functions with retail banking (CMO Area/ retail banking)**

A change of the titles of already existing organizational units is proposed as follows:

1. The Human Resources & Organization Division into The Human Resources Division
2. The Restructuring and Workout Division into The Restructuring and Collection Division

Additionally, it is proposed that throughout the text of the Statute of NLB Bank AD Skopje, the word "**Governor**" is replaced by the words "**Executive Board**" and in this direction, technical harmonization of the text of the Statute is carried out accordingly, in accordance with which the Executive Board of the National Bank decides on the issuance and withdrawal of consents to banks and savings houses that are subject to supervision.

Skopje, May 2025

Based on Article 95 paragraph 6 of the Statute of NLB Banka AD Skopje and pursuant to the Statutory Decision on Amending the Statute of NLB Banka AD Skopje, adopted by the Shareholders' Assembly on the Supervisory Board of NLB Banka AD Skopje, on the session held on _____ adopted the following:

**Official consolidated text
of the Statute of NLB Banka AD Skopje**

| **2025⁴**

Table of contents

1.	GENERAL PROVISIONS	3
2.	NAME, REGISTERED OFFICE AND OTHER STATUTORY CHARACTERISTICS	3
3.	BANK'S INTERNAL ORGANISATION	4
4.	SUBJECT OF OPERATION OF THE BANK	5
5.	OWN ASSETS, EQUITY CAPITAL, SHARES, RIGHTS AND OBLIGATIONS ARISING FROM SHARES, INCREASE AND DECREASE OF THE EQUITY CAPITAL	6
5-a	SPECIAL RESERVE INTENDED FOR POTENTIAL LOSSES	7
6.	RIGHTS, OBLIGATIONS AND RESPONSIBILITIES OF THE SHAREHOLDERS	8
6-a	KEEPING OF THE ACCOUNTING RECORDS, LEDGERS, ANNUAL FINANCIAL ACCOUNTS AND FINANCIAL REPORTS	9
7.	FINANCIAL RESULT, PROFIT DISTRIBUTION AND ESTABLISHMENT OF RESERVES BY THE BANK	10
8.	BANK'S STATUTORY CHANGES AND RESOLUTION OF THE MUTUAL RIGHTS OF THE BANK'S SHAREHOLDERS IN CASE OF BANK'S STATUTORY CHANGES	12
9.	INSURANCE OF INDIVIDUALS' DEPOSITS	13
10.	SUPERVISORY STANDARDS	13
	Solvency and Capital Adequacy	13
	Risk Management	13
	Bank's Exposure	14
	Bank's own shares	14
	Investments in the Bank	14
	Bank's Liquidity	14
	Open Foreign Exchange Position	14
11.	PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING	14
12.	BANK'S MANAGEMENT MANNER AND PROCEDURE FOR ESTABLISHMENT OF THE BANK'S BODIES	15
1.1	Bank's Assembly	15
1.2	Supervisory Board	20
	Supervisory Board Management	24
	Meetings and Decisions of the Supervisory Board	24
1.3.	Management Board	25
	Meetings and Decisions of the Management Board	29
1.4	Risk Management Committee	32
1.5.	Audit Committee	33
13.	INTERNAL AUDIT DIVISION OF THE BANK	35
14.	OTHER BODIES OF THE BANK	36
15.	BANK SECRET	43
15-a	CONFLICT OF INTEREST	44
16.	PROCEDURE FOR DELIVERY AND AMENDMENT OF THE STATUTE AND OTHER ACTS OF THE BANK	44
17.	INFORMING	46
18.	TERMINATION OF THE BANK'S OPERATION	47
19.	TRANSITIONAL AND FINAL PROVISIONS	47

1. GENERAL PROVISIONS

Article 1

NLB Banka AD Skopje (hereinafter referred to as the Bank) is a joint stock company with registered office in the Republic of North Macedonia, registered for banking activities stipulated in law.

The Bank is established as a joint stock company upon Decision on Establishment and Operation of NLB Banka AD-Skopje No. 01-456/4 from 14.05.1993 and Statute and upon Authorisation issued by the National Bank of the Republic of North Macedonia No. 02-15/13-1/93 from 20.05.1993.

The Bank is registered in the Court Registry under CR No. 8742/93 from 27.05.1993 and in the Trade Registry under TR. No. 266/2001 from 16.05.2001.

Article 2

This Statute regulates:

- The name, registered office and other statutory characteristics of the Bank;
- The period of time the Bank is established for;
- The subject of operation of the Bank;
- Trademark, stamp and seal;
- The equity capital amount;
- The nominal value of the shares, the amount of shares of any type and class, the rights, obligations, limitations and amenities, the way on shareholders' rights;
- Annual financial statement and distribution of profits;
- Statutory amendments;
- Manner of termination of Bank's operation;
- Compliance with the supervisory standards;
- Prevention of money laundering;
- Obtaining and cessation of Bank's bodies and their competences, rights and obligations;
- Procedure on convening and holding of the Shareholders' Assembly;
- Procedure on appointment and dismissal of the Bank's bodies and the individuals with special rights and responsibilities, their competences, rights and responsibilities;
- Procedure on delivery and amendment of the Bank's Statute and other documents of the Bank;
- Bank secret;
- Form and manner of the announcements performed by the Bank;
- Information of shareholders and employees;
- Other issues concerning the Bank's operation and
- Transitional and final provisions.

Article 2-a

In the frame of the legal relations with third parties, the Bank as a legal entity can obtain rights and accept responsibilities, obtain property and other real rights, conclude agreements and other legal documents, sue and to be sued before court, court of arbitration or other chosen court and to participate in other proceedings.

In the legal relations, the Bank acts on its own behalf and for its own account.

For the responsibilities realised as part of the legal relations, the Bank is liable with its entire property.

2. NAME, REGISTERED OFFICE AND OTHER STATUTORY CHARACTERISTICS

Article 3

The Bank's name reads: "NLB Banka" AD Skopje.

The Bank's abbreviated name reads:

“NLB Banka”

The Bank’s registered office is in Skopje, “Vodnjanska Str.” No.1

The Bank’s organisational units operate in their field of work under the name “NLB Banka AD Skopje”, additionally specifying the name and the registered office of the Bank’s organisational unit.

Article 3-a

The Bank can amend the name and the registered office.

The Decisions on Amendment of the Bank’s name and registered office are adopted by the Supervisory Board. The change of the Bank’s name and registered office shall be registered in the Trade Registry.

Article 4

In the frame of its operation, the Bank is using a stamp, seal and trademark (mark) containing the name and the registered office of the Bank.

The form, size and manner of use of the stamp and seal are defined by the Bank’s Management Board.

The seal and the stamp are used on all general and individual acts and correspondence of the Bank.

The Bank owns a trademark. The design, form and size of the trademark are determined by a Decision of the Bank’s Supervisory Board upon proposal by the Bank’s Management Board.

Article 5

In the frame of its daily business operations, the Bank is using and making available the following data in writing, electronically and otherwise in an easy, direct and always available manner: name, registered office, identification number registered in the trade registry, telephone number, fax number and the address, as well as the data that the Bank is performing its activity based on the Decision on the Bank’s Establishment and Operation, issued by NBRM.

3. BANK’S INTERNAL ORGANISATION

Article 6

The internal organisational structure of the Bank is regulated by the Rulebook on Organisation and Systematisation of the working positions in NLB Banka AD Skopje.

The Rulebook on the Organisation and Systematisation of the working positions in NLB Banka AD Skopje is delivered by the Bank’s Management Board .

Article 7

The activities in the frame of the Bank’s subject of operation are performed on the level of the Bank and on level of the Bank’s organisational units.

Article 8

In order to perform the activities in the frame of the Bank’s operation, organisational units are established in the Bank upon decision of the Management Board .

Article 9

The following can be established as organisational units of the Bank: divisions, sectors, centers, branches, affiliates, counters, affiliates abroad and other organisational forms established with a Decision of the Management Board, all according to the law.

Article 10

More detailed regulations on the manner of establishment of the organisational units referred to in the previous paragraph, the field of their operation, the authorisations in the legal relations, their organisation and other issues concerning their operations are regulated with the Rulebook on the Organisation and Systematisation of work positions.

4. SUBJECT OF OPERATION OF THE BANK

Article 11

The Bank is established for an unlimited period of time for the purposes of performing of activities prescribed with the Banking Law.

The Bank represents a legal entity whose main business activity is collection of deposits, other recurrent sources of funds from the public and approval of credits on its own behalf and for its own account.

The Bank is operating within the framework of the Business Policy and the Development Plan. During its operations, the Bank is providing execution of all due liabilities towards the creditors, in their total amount and maturity.

Article 12

Pursuant to the legal regulations, the Bank is entitled to perform the following activities:

1. Collection of deposits and other recurrent sources of funds;
2. Domestic crediting including factoring and financing of commercial transactions;
3. Foreign crediting, including factoring and financing of commercial transactions;
4. Issuance and administration of payment instruments (payment cards, cheques, traveller cheques, bills of exchange)
5. Issuance of electronic money;
6. Financial leasing;
7. Exchange operations;
8. Domestic and foreign payment currencies;
9. Fast money transfer; operations, including sale and purchase of foreign
10. Issuance of guarantees on payment, avals and other types of security;
11. Lease of safes, vaults and storages
12. Trade with instruments at the money market;
13. Trade with foreign exchange, which also includes trade with precious metals;
14. Trade with securities;
15. Trade with financial derivatives;
- ;
16. Provision of services for bank custodian of property, investment and pension funds;
17. Purchase and sale, ensuring and placement of securities issuing; 17-a) keeping securities for clients;
- 17-b) consultations for legal entities regarding the capital structure, business strategy or other related issues or provision of services related to mergers of legal entities;
18. Sale of insurance policies;
19. Mediation in conclusion of credit and loan agreements;
20. Processing and analysis of information on credit standing of legal entities;
21. Economic-financial consulting;
22. Acting as quotation patron;
23. Execution of transactions, activities necessary for taking over of joint stock companies for the account of third parties;
24. Representation at insurance

- 25. Sale and/or purchase of shares from investment funds and
- 26. Other financial activities the Bank is entitled to perform pursuant to the law.

For performance of the stated financial activities, the Bank has to own seed capital in an amount of MKD 310,000,000.

The performance of the financial activities of clause 1, item 5, 8, 9, 13, 14, 15, 16, 17, 22, 23, 25 and 26 of this article is subject of prior consent by the [Governor-Executive Board](#) of the NBRNM.

The financial activities that require a special consent from the [Governor-Executive Board](#) of the NBRSM or another body are carried out by the Bank after obtaining the necessary consent.

4. OWN ASSETS, EQUITY CAPITAL, SHARES, RIGHTS AND OBLIGATIONS ARISING FROM SHARES, INCREASE AND DECREASE OF THE EQUITY CAPITAL

Article 13

The seed capital and all further increase of the seed capital have to be monetary and paid in completely.

The seed capital and all future increasing of the seed capital cannot be reduced through return of the paid deposits of the shareholders.

The Bank's equity capital as on 30.09.2008 amounts MKD 854,061,000.00 and is divided in 854,061 voting shares (regular shares).

One share has a nominal value of MKD 1000.00.

The Bank may issue regular shares and can issue priority shares without voting rights, where the total nominal amount of priority shares without voting rights cannot be larger than 10% of the total nominal amount of the total shares of the Bank

Each common share provides a voting right in the Assembly.

Article 14

Qualification of a shareholder in the Bank can be obtained by a domestic and foreign individual and legal entity, which acquired shares pursuant to the law. The shareholder's rights are obtained upon registration in the book of shareholders.

The Decision on issuance of shares is delivered by the Shareholders' Assembly by the majority of votes, which cannot amount less than two-thirds of the voting shares, represented at the Assembly.

The shares issued by the Bank are assignable and recorded as an electronic entry in the Central Securities Depository of the Republic of North Macedonia pursuant to the law.

The Bank is entitled to issue shares over the nominal value (public offering amount).

Article 15

The owner of the share (shareholder) can assign the property right of the share to a third party pursuant to the law.

The qualification of a shareholder ceases to exist as of the date of deletion from the Bank's shareholders book.

Article 16

Increase of the Bank's equity capital can be performed:

- 1. By deposits;
- 2. By conditional increase of the equity capital;

3. By approved capital;
4. From the Bank's funds.

Increase of the equity capital is performed upon Decision on increase of the equity capital delivered by the Assembly.

The Decision on increase of the equity capital is delivered by majority of votes, which cannot be less than two-thirds of the voting shares represented in the Assembly.

In case of existence of several types of shares, the Decision referred to in paragraph 3 of this article is valid if the shareholders of every share type agree on it. The Decision on consent is delivered by the shareholders for every share type with the same majority as for the Decision from paragraph 3 of this article.

The Management Board is authorized through issuing of new shares on the basis of deposits, upon a prior consent by the Supervisory Board, to increase the equity capital up to a nominal value that cannot exceed one half of the amount of MKD 854,061,000.00 (approved capital).

New shares can be issued only by consent of the majority of the members of the Management Board.

The authorisation of the Management Board from paragraph 5 of this article is terminable on five years from the registration of the Decision on Amendment of the Bank's Statute in the Trade Registry.

Article 17

The Bank's equity capital can be decreased by:

1. Decrease of the nominal value of one or several types or classes of shares;
2. Fusion of one or several types of shares, provided the minimal nominal amount of the incorporated share shall not amount less than EUR 1 and
3. Taking own or other shares off the market, if this results into decrease of the equity capital.

Article 18

The decrease of the equity capital is performed upon Decision on Decrease of the Equity Capital delivered by the Assembly. The Decision on Decrease of the Equity Capital is delivered by the majority of votes that cannot amount less than two-thirds of the voting shares represented at the Assembly. In case of existence of several types of shares, the Decision from paragraph 1 of this article is valid if the shareholders of every share type agree on it. The Decision on consent is delivered by the shareholders for every share type by the majority that cannot be less than the majority stated in paragraph 1 from this article. To give their consent, the shareholders for every share type deliver an individual Decision on Consent.

Article 19

The article is deleted.

5-a SPECIAL RESERVE INTENDED FOR POTENTIAL LOSSES

Article 20

As a security for potential losses arising from precise risky balance and off-balance items, the Bank is establishing a special reserve.

The amount of the necessary reserve is defined in a manner and in an amount pursuant to the methodology prescribed by the National Bank of the Republic of North Macedonia.

6. RIGHTS, OBLIGATIONS AND RESPONSIBILITIES OF THE SHAREHOLDERS

Article 21

The Bank's Shareholders possess all rights, obligations and responsibilities stipulated in the regulations and this Statute.

The shareholders shall have following rights:

- On participation and delivery of decisions at the Assembly's meeting;
- On dividend;
- On payment of a share of the liquidation trust or bankruptcy assets;
- On being informed of the Bank's situation;
- On insight in all data registered in the Bank's book of shareholders;
- On protection of the rights before courts.

Article 22

The shareholders are liable towards the Bank, if they:

- Abuse the Bank as legal entity for achievement of goals forbidden;
- Abuse the Bank to harm its creditors;
- Illegally disclose or present the data obtained by exercise of their right on information;
- Illegally dispose of the Bank's property.

Article 23

The article is deleted.

Article 24

The article is deleted.

Article 25

Common shares provide their owners with:

- voting right in the Shareholders' Assembly;
- right on payment of a share of the profit (dividend) and
- right on payment of the remaining part from the Bank's liquidation trust or bankruptcy assets.

Article 26

Besides the right on payment of a share from the profit (dividend) and the right on payment of the remaining part from the liquidation trust or bankruptcy assets of the Bank, the preference shares provide the following preferential rights: right on dividend in a previously defined amount of money or in a percentage of the nominal value of the share, the right on priority at payment of dividend and at payment of the remaining part from the liquidation trust or bankruptcy assets, only if determined so by the Decision on their issuance.

The amount of priority shares without voting rights in the Bank, cannot be larger than 10% of the total nominal amount of the total shares of the Bank.

Article 26-a

Upon Decision on Amendment of the Statute delivered by the Assembly, the Bank can distribute shares and simultaneously decrease their nominal value provided that the equity capital remains unchanged.

The Bank can, with a Decision of the Shareholders' Assembly on amendment of the Statute, perform merger of shares and, at the same time, increase their face value provided that the equity capital remains unchanged.

Article 26-b

Article 27

The article is deleted.

Article 27-a

The article is deleted.

Article 27-b

The article is deleted.

Article 27-c

The article is deleted.

Article 28

The Bank's shareholders are not liable for the Bank's responsibilities except in cases clearly stipulated in the Company Law.

The legal relations between the shareholders and the Bank are regulated in the Company Law.

6-a KEEPING OF THE ACCOUNTING RECORDS, LEDGERS, ANNUAL FINANCIAL ACCOUNTS AND FINANCIAL REPORTS**Article 28-a**

The Bank is obliged to keep accounting records and submit annual financial accounts in a manner stipulated by law and the financial accounting regulations.

Article 28-b

The Bank maintains ledgers according to the principles for duly performed accounting, in a manner that displays all performed legal trading activities, the balance of assets, liabilities, equity, income and expenditures. The ledgers are maintained in a manner that every third party – expert can get a general insight and overview of the Bank's operation and of the financial situation and the financial result of the Bank at review of the ledger. The ledgers shall clearly display how all trading transactions of the Bank were initiated, maintained and completed.

The Bank is obliged to keep one copy of each sent business letter. The archived copy shall be identical to the sent original.

The Bank shall maintain the ledgers according to the system for double bookkeeping: diary, general ledger and analytic records.

Article 28-c

The Bank shall keep the annual financial accounts and the financial reports permanently.

The ledgers shall be kept at least for ten years after expiration of the year they are referring to.

The accounting documents shall be kept at least five years after expiry of the year in which they were used for completion of the ledgers, except for the documents for calculation of salaries, which shall be kept permanently

The annual financial accounts and the financial reports, the ledgers and the accounting documentation shall be kept in their source form or transferred to any media for automatic or micrographic data processing.

Article 28-d

After expiration of the calendar year, the Bank prepares annual financial accounts and financial reports. The Bank's Assembly adopts the annual financial reports and the annual report on the Bank's operation in the previous business year.

The drafting and the approval of the annual financial accounts and the financial reports is realised within terms stipulated by law.

Article 28-e

The financial reports cannot be approved if they are not revised by an authorised auditing company.

The authorised auditor is chosen by the Assembly before expiration of the business year subject to audit.

7. FINANCIAL RESULT, PROFIT DISTRIBUTION AND ESTABLISHMENT OF RESERVES BY THE BANK**Article 29**

The Annual Financial Accounts, the Financial Report and the Annual Report on Bank's Operation for the previous business year are approved by the Supervisory Board pursuant to the valid regulations and are submitted for adoption to the Shareholders' Assembly.

Based on the displayed financial results, after approval of the Annual Financial Accounts and the Financial Report and after stating that profit exists, the Shareholders' Assembly distributes the profit for the business year.

The Bank determines the financial result of the business operation pursuant to the international financial accounting regulations and the applicable legal regulations.

Article 29 a

The profit before taxation is defined after coverage of the total expenditures in the period of accounting from the total realised income in the same period.

The net profit - profit after taxation is defined after the profit before taxation is decreased for the amount of the taxes, contributions and other profit related charges.

Article 30

The Assembly adopts the Decision on utilisation and distribution of the earned profit or for coverage of the losses.

The Decision on distribution of profit shall present each individual purpose of the profit, and in particular, the following shall be stated:

1. The amount of the profit for coverage of losses from previous years;
2. The amounts included in the legal and statutory reserves of the Bank;
3. The amount paid out as dividends;
4. Additional expenditures according to the Decision;
5. The amount of the profit for increase of the Bank's equity capital and the amount of the investment profit;
6. Possible transfer of the profit in the following year (accumulated profit);
7. The amount of the profit intended for other funds and
8. Other purposes.

Article 31

The Bank shall determine and display the losses arising from the operational activities if it doesn't cover the total expenditures, as well as the taxes, contributions and other charges of the profit from the total income.

Article 32

The Shareholders' Assembly decides upon coverage of the losses.

In the decision for coverage of losses are stated the sources for its coverage, and especially:

1. Accumulated profit;

2. On account of the obligatory reserve;
3. On account of special reserves for coverage of losses;
4. Premiums and
5. On account of the equity, with its decrease.

Article 32-a

The Bank has an obligatory general reserve in the form of a general reserve fund established by utilisation of funds from the net profit.

The general reserve is calculated and utilised as 5% of the Bank's profit, until the Bank's reserves don't reach the amount equal to one tenth of the equity capital. If the reserve established in this way decreases, it has to be replenished in the same way.

As long as the general reserve doesn't exceed the minimum amount defined by this Statute, it can be utilised exclusively for coverage of losses.

The amount included in the reserve based on additional payments made by the shareholders cannot be utilised for supplementation of the dividend.

Article 32-b

Upon approval of the annual account and the financial reports and determination of existence of profit to be distributed, the Assembly defines the part which shall be assigned to the shareholders as a dividend according to the rights arising from the type and class of the shares.

The Management Board can pay a dividend in the amount not exceeding the total realised profit shown in the annual financial account and financial reports, increased by the transferred undistributed profit from the previous years or by the reserves that can be distributed and if the

The dividend shall be paid within nine months at the latest after expiry of the business year. During the business year, an advance payment of the dividend can be paid to the shareholders from the foreseeable share of the profit.

Each shareholder can receive a part of the dividend for distribution or of the advance payments of the dividend as money, or shares.

The offer on payment of dividend or of the advance payments of the dividend shall be given in the same time to all shareholders according to the type and class of the shares.

The Decision of the Assembly approving the payment of dividend shall define:

1. The dividend amount
2. The date of recording upon which the list of shareholders having the right on dividend is defined and
3. The plan on payment of dividend and the day the dividend is paid (payment day) and the manner in which the Bank is giving notice to the parties entitled to receive dividend pursuant to the delivered Decision.

The Management Board is entitled to make advance payments of the dividend to the shareholders based on the periodical accounts or periodical financial reports for the three, six or nine months, approved by an authorised auditor of the Bank.

The Management Board can make the advance payment of the dividend only up to the amount of the profit earned in the period of realisation of the advance payment of the dividend, whereby the total profit earned in the previous year and approved by the annual financial account cannot be exceeded, increased by the transferred undistributed profit from the previous years and the reserves that can be distributed for this purpose, decreased by the amounts allocated for the legal reserves and the reserves determined by the Statute, for the period for which an advance payment of the dividend is calculated, if the losses from the previous years are not covered and were not covered with the last approved annual financial account and the financial reports due to any reason.

The advance payment of dividend is subject to a unanimous Decision by the Supervisory Board.

8. BANK'S STATUTORY CHANGES AND RESOLUTION OF THE MUTUAL RIGHTS OF THE BANK'S SHAREHOLDERS IN CASE OF BANK'S STATUTORY CHANGES

Article 33

Bank's statutory changes (merger of banks, affiliation of one Bank with another or division of one Bank in several banks) is subject to a Decision by the Bank's Assembly delivered with a majority votes of the total number of the voting shares.

The Bank's statutory changes are subject to an obligatory approval by the National Bank of the Republic of North Macedonia.

Mutual relationships of the Bank's shareholders in case of the Bank's statutory changes shall be resolved by mutual consent or by mediation of the Bank's Supervisory Board.

Mutual relationships of the Bank's shareholders, which cannot be resolved by mutual consent, shall be resolved by arbitration and if they cannot be resolved by arbitration, they shall be resolved before a court.

9. DEPOSIT INSURANCE FOR INDIVIDUALS

Article 34

The Bank is obliged to insure domestic and foreign exchange deposits and current accounts of individuals, deposits connected to payment cards and foreign exchange inflow of individuals in the Deposit Insurance Fund.

10. SUPERVISORY STANDARDS

Article 35

Solvency and Capital Adequacy

The Bank shall dispose with an adequate level of own funds depending on the nature, type and volume of the financial activities and the amount activities (capital adequacy). of risks arising from performance of such. The Bank is obliged to operate in a way that enables permanent ability to fulfill its obligations (solvency).

The bank shall maintain capital adequacy ratio, which may not be lower 8%.

In the course of meeting the obligation of paragraph (3) of this Article, the bank shall be obliged to maintain at least:

- 1) the common equity tier 1 capital ratio in the amount of 4,5% of the risk-weighted assets and
- 2) the core capital ratio in the amount of 6% of the risk-weighted asset.

The [Governor-Executive Board](#) of NBRNM may prescribe ratios higher than the ones prescribed in paragraph (3) and (4) of this Article for one or more banks in the country, provided that it is necessary because of the nature, type, and scope of the activities that the bank carries out and the risks it is exposed to as a result of such activities, including the risks resulting from the macroeconomic condition.

Capital buffers

The bank shall be obliged to maintain the following capital buffers:

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

The capital buffers shall be fulfilled only by positions which are part of the common equity tier 1 capital. The sum of the capital buffers shall represent the total amount of capital buffers.

Risk Management

The Bank shall maintain its exposure to particular types of risks within the limits defined in the Banking Law and the methodology defined by the Council of the National Bank.

With the general acts and internal procedures have to be covered all material risks the Bank is exposed to at performance of financial activities, and especially following types of risk:

- Liquidity risk;
- Credit risk including country risk and risk of the other contractual party;
- Risk upon interest rates of the portfolio of banking activities, currency risk and other market risks;
- Risk of concentration of Bank's exposure and
- Operational risk including the risk of inadequacy of information systems.

Bank's Exposure

Bank's exposure toward a person covers total balance and off-balance receivables of the Bank from that person, regardless of the goals the securities are gained for.

The Bank shall maintain the exposure towards the party and parties connected to this party according to the criteria stipulated in the Banking Law.

Bank's own shares

The Bank can obtain own shares through repurchase, by itself or via a party acting on its own behalf and for the Bank's account, up to 10% of the nominal value of all Bank's shares; however, the amount of the repurchased shares cannot exceed the amount of the undistributed profits.

The repurchase of own shares is valid only if the Bank's Assembly delivers a Decision on Acquisition of Own Shares via Repurchase, which defines the manner of repurchase, the maximum number of repurchased shares, period of time the repurchase has to be performed in which cannot be longer than 12 months from the day of delivery of the Decision on Acquisition of Own Shares, the minimal and maximal counter-value that can be paid for them and the face value of the repurchased own shares along with the minimum value of the own shares the Bank has obtained before and which it owns that cannot exceed 10% of the nominal value of all shares of the Bank.

The shares referred to in the previous paragraph shall be alienated within one year from the day of their acquisition or they shall be annulled without delay.

Acquisition of own shares contrary to the previous paragraphs is not valid. The rights obtained from own shares shall be discontinued until they are alienated.

Investments in the Bank

Regarding the investments, the Bank shall respect the limits defined by the Banking Law.

Bank's Liquidity

The Bank shall maintain liquidity, that is, it shall manage the assets and the liabilities in a manner which enables coverage of due liabilities at any moment.

Open Foreign Exchange Position

The Bank shall maintain an open foreign exchange position pursuant to the methodology on currency risk management, prescribed by the Council of the National Bank, in accordance with the international standards.

11. PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING

Article 36

At its operation the Bank takes measures and activities oriented to prevention of money laundering and financing of terrorism and acts pursuant to the provisions for prevention of money laundering and financing of terrorism.

The Bank shall appoint a person authorised for prevention of money laundering, who shall be independent in his operations, shall work pursuant to the legal regulations and shall submit monthly reports on his work to the Management Board, and quarterly and semi-annual reports to the Supervisory Board.

The activities referred to in paragraph one of this article are regulated by the Bank with a special document according to the legal regulations and international standards in this field.

12. BANK'S MANAGEMENT MANNER AND PROCEDURE FOR ESTABLISHMENT OF THE BANK'S BODIES

1. Bank's bodies

Article 37

The Bank's bodies are as follows:

Shareholders' Assembly, Supervisory Board, Risk Management Committee, Audit Committee and Credit Committee.

1.1 Bank's Assembly

Article 38

The Bank is managed by the shareholders through the Bank's Assembly possessing shares with management right according to the principle one share - one vote.

The Bank's Assembly consists of all shareholders, in person or via their authorized persons.

Each shareholder can authorise their authorised person in the Assembly with a power of attorney.

The shareholders being legal entities are represented in the Assembly by their legal representatives or persons authorised by them.

The power of attorney of the authorised person referred to in paragraph (3) of this article shall be given by execution of a written power of attorney not subject to notarisation. The shareholder shall immediately notify the Bank on the given power of attorney; otherwise, it shall be considered that the shareholder didn't give the power of attorney. The power of attorney shall be valid until its cancellation, but no longer than two years after the day the power of attorney was given.

Article 39

Bank's Assembly carries out following activities:

1. Adopts the Statute and the amendments and supplements of Bank's statute;
2. Reviews and adopts Bank's annual operational report together with the written opinion prepared by the Supervisory Board;
3. Reviews and adopts the report by the auditing company and the written opinion about it, prepared by the Supervisory Board;
4. Adopts Bank's annual accounts and financial reports;
5. Decides on the use and distribution of earned profit, or coverage of losses;
6. Decides on new emission of Bank's shares;
7. Decides on statutory changes and termination of Bank's operation;
8. Appoints and dismisses members of the Supervisory Board;
9. Selects an auditing company and decides upon the proposal for cancellation of the agreement with the auditing company;
10. Delivers the Rules on Procedure of Bank's Assembly and its amendments;
11. Decides on increase and decrease of the equity capital;
12. Approves Supervisory Board's operational report and approves the operation of all members of the Supervisory Board individually;
13. Approves the operational report of the Managing Board and approves the operation of all members of the Managing Board, individually and

14. Decides also on other significant issues for Bank's operation, set in the Statute and the Company Act.

Meetings and Decisions of the Shareholders' Assembly

Article 40

"The Bank's Assembly works in a session that is held in need, at least once a year.

The Annual Assembly of the Bank shall be held mandatory before the expiration of six months from the calendar year for the previous year.

When it is in the interest of the Company and the shareholders, time between two annual assemblies meeting may be held.

The Management Board of the Bank, the Supervisory Board of the Bank, with majority votes from its members, on their own initiative or on the request of a shareholder, may make a decision to convocate the Assembly. "

Article 41

By majority of votes of its members, the Supervisory Board can deliver a Decision on convening of the meeting of the Shareholders' Assembly upon its own initiative.

The shareholders possessing together at least 10% of the votes in the Bank's Assembly can request from the Management Board in writing to convene a Bank's Assembly meeting. The shareholders shall state in the written request the reasons for convention of a Bank's Assembly meeting, the subject matter the Bank's Assembly shall decide on, their name and surname, place of residence and personal identification number or the company, registered office and company registration number in cases where the shareholder is a legal entity.

Within eight days from the day of receipt of the request, the Management Board delivers a decision on adoption or rejection of the request by the shareholders on convening an Assembly's meeting. The decision on rejection of the request shall obligatory state the reasons for such a decision.

If the Management Board or Supervisory Board doesn't convene a meeting upon the request of the shareholders possessing a majority of all voting shares within 24 hours from the day of request submission, the shareholders can submit a proposal for convention of an Assembly's meeting to the court.

Article 42

The Bank's Assembly is convened by submission of an invitation to all shareholders whose shares are registered in the book of shares, in a manner enabling confirmation that the invitation was sent to each shareholder including a date the invitation was sent and received.

The invitation is sent according to the abstract from the shareholders' book not older than three days before the date of sending of the invitations.

The Assembly can also be convened by announcement of a public call to the shareholders. The public call for convention of the Assembly's meeting shall be announced on a half page in at least one daily newspaper published at the whole territory of the Republic of North Macedonia. Additionally, the content of the public call is also announced on the front page of the Bank's official website, and is submitted for publication on the webpage of the stock exchange.

Article 43

The invitation, that is, the call for participation at the Bank's Assembly shall consist of following elements:

- name and registered office of the company;
- venue, date and time of holding of the Assembly;
- the agenda of the Assembly's meeting;
- the manner in which the documents prepared for the Assembly are available;
- description of the procedure upon which the shareholders participate and vote at the Assembly's meeting;

- description of the procedure for voting via proxy with information for availability of the forms for voting via proxy of the shareholders
- description of the procedure for voting via correspondence
- The last deadlines by which items on the agenda can be proposed, ie decisions and questions can be proposed;
- other procedural formalities which are significant for participation at the Assembly and the manner of voting
- address of the Bank's official website where the information concerning the Assembly and the documents proposed for the Shareholders' Assembly are available.

The public call respectively the invitation for holding of the session of the shareholders' meeting contains a description of the procedure upon which the shareholders participate and vote at the meeting, as defined in the legal provisions. At the same time, in the public call respectively the invitation shall be stated also the address of Bank's official webpage, on which have to be available all legally necessary information that shall be published by the quoted company, as stated in article 45, clause 2.

The term that runs from the day of sending of the invitation respectively publication of the public call for participation in the Assembly until the day the Assembly is held, cannot be shorter than 30 days until the day the Assembly is held.

Article 44

The shareholder intending to participate at the Assembly is obliged to declare its participation (application for participation at Assembly's meeting) prior the start of the meeting, at the latest. The list of declared shareholders participating is prepared by the Management or the Supervisory Board or a person authorised for convening of the Assembly's meeting and before the beginning of the Assembly's meeting the preparing party compares the list with the status of the shareholder's book received from Central Securities Depository 48 hours before the Assembly's meeting is held. Before beginning of the Shareholders' Assembly meeting, the list of declared shareholders is signed by each present shareholder or by the authorised person of the shareholder by which they verify their presence at the Assembly (verified Assembly participant).

Article 45

The decision-making documents for the Bank's Assembly meeting have to be accessible to the shareholders from the day of sending of the invitation or publishing of the public call, in the defined office in the Bank.

In a period which cannot begin later than the twenty-first day prior to the day the Assembly's meeting is held on, as well as on the day the Assembly's meeting is held on, the Bank shall publish on its website at least the following information:

- content of the public call or the invitation for convening of a Shareholders' Assembly Meeting;
- total number of shares and total number of voting rights arising from voting shares on the day of announcement of the public call or on the day of sending of the invitation, including the total number of shares of any type and class;
- The decisions proposed for delivery or in cases where such decisions are not proposed, the opinions by company's authorized body or institution about any item of the proposed agenda at the session of shareholders' assembly.
- documents and materials which will be reviewed at the Shareholders' Assembly meeting;
- decisions proposed by the shareholders that the Bank has to announce immediately after its receipt;
- forms for proxy voting and the forms for voting via correspondence enabled to be downloaded by the shareholders
- information on how to propose agenda items, ask questions and propose decisions by shareholders. "

Article 46

Each shareholder or their authorised representative or proxy shall be entitled to participate at the Bank's Assembly under conditions defined with this Statute unless otherwise stipulated by law.

Only the shareholders who are owners of voting shares have the right to vote and make proposals for discussion on respective issues.

When any of the rights related to any share type are amended or limited upon Decision of the Assembly or Decision on Statute Amendment, such Decision shall be considered as valid if the shareholders representing the subject share type give their consent by delivering a Decision on Consent by the majority stipulated by this Statute and the law.

The shareholders referred to in paragraph 3 can deliver the Decision on Consent on a special session (special Assembly's meeting) or on the same Assembly's meeting, on which other shareholders are present, but by voting separately (separate voting).

Article 47

The Assembly can decide only upon issues duly stated in the agenda. The Assembly can also discuss issues not duly stated in the agenda, but with no decision-making right.

The shareholders that collectively or individually possess at least 5% of the total number of voting shares can propose supplementation of the agenda through a request for inclusion of new items in the agenda, if they simultaneously provide an explanation on the proposed item for supplementation of the agenda or if they propose a decision on the proposed item in the Assembly's meeting already being convened.

Shareholders collectively or individually possessing 5% of the total number of voting shares are entitled to propose in writing adoption of decisions on each item stated or to be stated on the agenda of the Assembly's meeting.

The request for inclusion of items in the agenda and/or proposal of decisions to be adopted at the convened Assembly's meeting is sent to the party convening the Assembly's meeting within 8 days from the day the invitation was sent or the day the public call on participation in the Assembly's meeting was published.

Article 48

The Bank's Assembly has a quorum if the meeting is attended by verified participants at the Assembly's meeting who own at least the minimum majority of the total number of voting shares.

The decisions of the assembly shall be adopted with majority of the voting shares represented at the assembly, unless this Law and the statute determine a greater majority or prescribes other conditions in relation to the majority for adopting decisions of the assembly.

The Bank's Assembly decides with majority of the voting shares that can not be under 2/3 of the shares represented at the Assembly on issuance of shares, increase or decrease of the Bank's equity capital, termination of the Bank's business and in other cases stipulated in law.

The Shareholders Assembly decides with a majority votes of the total number of the voting shares on amendments of the Statute, as well as on statutory amendments (Accession, merger and division)

Procedures on amendment of the Statute can be initiated by the Management Board, Supervisory Board, as well as by the shareholders possessing at least one-tenth of the total number of voting shares.

Article 48-a

The Assembly's meeting is chaired by the Chairman. The Chairman of the Assembly's meeting determines the order of the work and maintains the order at the Assembly's meeting and can also define the rules on conducting the Assembly's meeting.

The Chairman of the Assembly is individually elected for each Assembly's meeting.

The term of the Assembly's Chairman lasts until the election of the Chairman of the next Assembly's meeting which has to be held.

Any shareholder or person representing a shareholder can be elected as Chairman of the Assembly. A member of the Management Board or a member of the Supervisory Board cannot be elected as Chairman of the Assembly.

The Chairman of the Assembly conducts the Assembly's meeting, verifies the signed list of shareholders having declared their participation at the Assembly's meeting, executes the decisions, the minutes and other Assembly's meeting documents and takes care of the duly implementation of the Rules of Procedure of the Assembly.

Article 48-b

After stating that a quorum exists, the Chairman shall call the shareholders to make statements on the draft agenda of the meeting. The agenda shall be adopted after the voting of the majority of the shareholders in possession of a voting right in the Assembly.

Each shareholder is entitled, at any time, to take the initiative on inclusion of items in the agenda of the Assembly's meeting which is to be summoned in a manner and in the procedure defined in details in the Rules of Procedure of the Shareholders' Assembly.

Each shareholder is entitled to pose questions for each item on the agenda of the Assembly's meeting, and the Bank is obliged to answer the questions posed by the shareholders. The Bank can give an aggregated answer to questions with the same content.

The Bank is obliged to publish the answers to the questions raised at the Assembly's meeting on its website in a question and answer form.

Article 49

If there is no quorum at the Assembly's meeting, a new Assembly's meeting is convened not longer than in 15 days, which can decide upon issues defined in the agenda for the first convened meeting irrespective of the number of present shareholders having a voting right and the amount of shares they possess, except with regards to issues subject to decision-making with qualified majority as stipulated by law or this Statute.

Article 49-a

In case of interruption of an Assembly's meeting that already began to work, the shareholders present at the meeting can decide the Assembly's meeting to proceed with its work in a venue and time defined by the majority votes of the quorum of the Assembly.

The postponement cannot be longer than eight days.

If the Assembly's meeting is interrupted and the Assembly doesn't deliver a decision on proceeding with its work, the Chairman of the Assembly's meeting defines the venue and time for continuance of the interrupted Assembly's meeting.

Article 50

The Assembly shall decide by public voting. The Assembly shall elect at least one person for counting of the votes.

Upon request by one or several shareholders having at least one-tenth of the total number of voting shares, a ballot vote can be carried out, for which a Ballot Vote Committee is elected. The composition of the Committee for implementation of the ballot vote and the procedure on ballot voting are stipulated in the Rules on Procedure of the Assembly.

The shareholders can vote at the Assembly through phone or other adequate electronic means which are part of the public communications network and which enable a safe manner for determination of the identity of each shareholder, the voting right, the manner of establishing of the communication connection between the Bank and the shareholders in a manner in which the voting is accessible to each shareholder and the performed voting can certainly be recorded.

After the voting, the Chairman states and publishes the voting result. The Assembly delivers the decisions according to the majority stipulated by this Statute.

Within 15 days from the date the Assembly's meeting was held, the Bank is obliged to publish the voting results on its website.

Article 50-a

In addition to participating in the work of the Assembly in person or through authorized person, in accordance with the Law on Trade Companies, the Bank will allow shareholders to vote in the Assembly and by correspondence before the meeting of the Assembly.

Article 50-b

Shareholders can vote by correspondence by sending a completed form which in the original must be received at the Bank no later than one working day before the day of the meeting of the Assembly.

The bank may ask from the shareholders intending to vote via correspondence, to pre-confirm their personal identity by submitting documents for personal identification, in original or copy of original, of their choice and without obligation for the shareholders to have it notarized or for it to be confirmed by domestic and foreign competent authority.

The bank publishes on its website the correspondence voting forms, a description of the procedure, the necessary documentation for identification of the shareholders and the date by which the correspondence voting form must be received.

The shareholder who voted by correspondence can personally attend the meeting of the Assembly, but if the shareholder wants to vote in person at the session, he must revoke the voting by correspondence no later than 48 hours before the meeting. If the shareholder does not submit a written notification that he / she cancels the voting by correspondence, which must be received by the Bank no later than 48 hours before the meeting, the voting by correspondence will be taken into account.

Article 50-c

Minutes are kept on the work of the Assembly including the data defined in the Rules Procedure of the Shareholders' Assembly. The minutes are prepared within eight days, at the latest, after the Assembly's meeting was held and are executed by the keeper of the minutes and the Chairman of the Assembly's meeting and are verified by verifiers of the minutes.

A member of the Management Board or Supervisory Board, or the Chairman of the Assembly's meeting cannot be elected as keeper of the minutes and verifiers of the minutes.

If the Assembly is deciding on amendment of data which have to be registered in the Trade Registry pursuant to the Company Law, the minutes are kept by a Notary Public and then the minutes shall be prepared within three days, at the latest, after the day the Assembly's meeting was held and are to be executed by the Notary Public and the Chairman of the Assembly's meeting.

The Bank is obliged to submit to the National Bank the minutes from the held Assembly's meeting in addition to the documents and delivered decisions, within 15 days after the Bank's Assembly meeting was held.

Article 51

The Rules of Procedure of the Bank's Assembly shall regulate in details the manner of operation and the voting of the Assembly, as well other issues of significance for the Assembly's work.

Article 51-a

The Decisions of the Assembly shall come into effect on the day of their delivery, except the decision defines other date for entering into force.

1.2 Supervisory Board**Article 52**

The Supervisory Board is supervising the operations of the Management Board, approves the policies for performance of financial activities and supervises their implementation.

The Supervisory Board shall be responsible to secure good business operations and management and stability of the Bank, as well due and correct financial notification of the National Bank.

Article 53

The Supervisory Board of the Bank consists of 6 members, appointed by the Bank's Assembly from the persons proposed by the Bank's shareholders upon consent by the ~~Governor~~ Executive Board of the National Bank of the Republic of North Macedonia.

The members of the supervisory board shall have adequate knowledge and experience to realize their duties, for independent supervision of bank's operation, and especially for understanding of the activities that the bank is carrying out and the material risks it is exposed to, to avoid conflicts of interest and to dedicate sufficient time for fulfillment of the obligations that arise from their duties.

At least a quarter of the members of the Supervisory Board shall have to be independent members. During election of the members of the Supervisory Board it shall be stated which members are elected as independent Supervisory Board members. The same person cannot be an independent member of the Supervisory Board in the Bank longer than three consequent mandates.

The mandate of the members of the Supervisory Board lasts 4 (four) years, whereby each year the AGM decides on approval of the operation of the members individually, after which are appointed new members as replacement for the members whose operation was not approved.

The candidates for Supervisory Board members are proposed by the shareholders.
The Supervisory Board members elect a President from themselves.

The Supervisory Board members are elected by the Assembly with a majority of votes arising from voting shares represented in the quorum defined for Assembly's meeting.

Before electing Supervisory Board members, data on the age, sex, education and other professional qualifications, working experience and how it was obtained, which company he was a member of or which management bodies or supervisory boards he was a member of and other functions he was performing, the amount of shares he owns in the Bank and in other companies, as well as the loans and other liabilities he has towards the Bank are published in writing for each candidate.

In addition to the data set out in the previous paragraph, in order to enable the Shareholders Assembly to make the right choice, shareholders shall be supplied with the following relevant information on the candidates proposed as Supervisory Board members:

- whether there is a conflict of interest with the Bank;
- if they are already a Supervisory Board member, a summary of the most recent evaluation of their performance

The data stated in paragraph 8 and 9 of this article are available to all shareholders seven days, at the latest, before the Assembly performs the election. The Application for registration of the elected

Supervisory Board in the Trade Registry is submitted by the person defined with the Assembly's decision.

Article 54

A Supervisory Board member cannot be a person who is employed in the Bank.

The Supervisory Board member shall also comply with the criteria for persons with special rights and responsibilities defined in article 86 of the Statute.

Article 55

Deleted.

Article 56

Bank's Supervisory Board carries out following activities:

1. Adopts Bank's Business Policy and Bank's Development Plan;
2. Appoints and dismisses members of Bank's Management Board;
3. Appoints and dismisses members of the Risk Management Committee;
4. Appoints and dismisses members of the Audit committee;
5. Appoints and dismiss members of the Credit Committee;
6. Adopts Bank's financial plan;
7. Organizes the Internal Audit Division;
8. Approves the annual plan of the Internal Audit Division;
9. Adopts the Policy on information system safety;
10. Adopts Bank's risk management policies;
11. Adopts the policy on conflicts of interest, by which are identified possible conflicts of interest and measures and activities for their prevention;
12. Adopts the awarding policy pursuant to the business policy, the development plan, the financial plan and the policy for avoidance of bank's conflicts of interest;
13. Delivers and executes a policy about the way of selection, monitoring of the operation and dismissal of the members of the Supervisory Board, the Risk Management Committee, the Audit Committee committee and the Management Board;
14. Reviews the operational reports of Bank's Management Board;
15. Reviews the reports of the Risk Management Committee;
16. Reviews the reports of the Audit committee;
17. Reviews the reports of the Internal Audit Division;
18. Reviews the reports of the Compliance and Integrity Centre;
19. Approves the annual accounts and financial reports of the Bank;
20. Approves exposure toward an individual of over 20% of Bank's own funds, except exposure based on purchase of securities issued by the National Bank and the Republic of North Macedonia;
21. Approves transactions with entities affiliated with the Bank in the amount of over MKD 6,000,000;
22. Approves gaining of shares in capital and purchase of securities over 5% of Bank's own funds, except purchase of securities issued by the National Bank and the Republic of North Macedonia;
23. Approves the proposal by the Audit Committee for appointment of an auditing company, or the proposal for cancelation of the agreement with the auditing company and is responsible for insurance of adequate audit;
24. Adopts the policy for performance of internal audit;
25. Reviews supervision's reports, as well as other reports submitted by the National Bank, the Public Revenue Office and other competent institutions and proposes respectively carries out measures and activities for correction of stated irregularities and weaknesses of Bank's operation;
26. Approves Bank's annual operational report and submits a written opinion about it to Bank's Assembly;
27. Reviews the report by the auditing company and submits a written opinion about it to the Shareholders' Assembly;
28. Adopts the Corporate Management Code regulating the rules for bank's management and supervision;
29. Adopts Bank's Code of Ethics;
30. Concludes management agreements with Bank's Management Board;
31. Decides on a definitive writing-off of receivables, based on prepared reports by Bank's expert departments;
32. Decides on establishment and closing of business-organizational units of the Bank abroad;

33. Adopts the Rules of Procedure for its own operation;
34. Establishes boards, operational and consulting bodies and committees for performing tasks within its scope and determines their competence;
35. Decides on Bank's participation in establishment of banking consortiums;
36. Approves loans and other forms of Bank's exposure toward bank's branch, toward a shareholder with qualified share in the Bank and affiliated entities, and toward a person with special rights and responsibilities and its affiliated entities, in an amount of over MKD 6,000,000 and
37. Carries out other activities that are no part of Assembly's competence.

The Supervisory Board shall perform an assessment of their own work in terms of individual members and collectively at least once a year and shall inform the Bank's Assembly about this. The Supervisory Board appoints one member of the Management Board to be responsible for monitoring the work of the organizational unit responsible for the implementation and / or coordination of the activities and processes related to the risk management system - a member of the Management Board responsible for monitoring the risk management.

Article 57

The Supervisory Board members are entitled to compensation for participation and work at the meetings, as well as compensation for their costs and per diems for the meetings in the amount defined by the Bank's act.

The Supervisory Board members can be approved a participation in the profit for their work by the Shareholders' Assembly, according to the provisions of this Statute and of the law.

Article 58

The mandate of the Supervisory Board members can cease early by dismissal from the function due to activities contrary to the law, the Bank's Statute, the good business practice, upon request by the shareholder he is representing or based on personal written request.

A Supervisory Board member can file a resignation at any time by submitting a written notification to the Assembly. The signature of the Supervisory Board member on resignation shall be notary verified. After the resignation is submitted does not decide on its acceptance. If the Bank's interests are requesting it, the Bank can oblige the resigning member to proceed to perform the function until a new Supervisory Board member is elected, but no longer than 60 days.

The mandate of the Supervisory Board members can cease early if the Shareholder's Assembly does not approve the Report on operations of the Supervisory Board.

The term of the Supervisory Board members can cease early if he is convicted by a legally binding decision with an imprisonment sentence pursuant to the legal provisions.

In case of premature cessation of the function of a Supervisory Board member, on the first following meeting of the Bank's Assembly election of a member as replacement for the rest of the term is performed.

If the number of Supervisory Board members is reduced below the legally defined number, the remaining Supervisory Board members shall have to call for an Assembly's meeting within three days to complement the Supervisory Board structure.

If the Assembly delivered a decision for dismissal of all Supervisory Board members or a Supervisory Board member, new Supervisory Board members or a new Supervisory Board member are elected at the same meeting replacing the dismissed member, and if the Assembly decides in such a manner, and if the data on the candidates to be elected are submitted in writing to the Shareholders' Assembly.

If the Assembly dismisses more than one Supervisory Board member it is voted on dismissal of all Supervisory Board members or of the new Supervisory Board composition with a new term. The Supervisory Board members are considered to be dismissed if the shareholders voted for dismissal with majority votes of the voting shares represented at the Assembly's meeting. The election of new Supervisory Board members is performed by cumulative voting.

Article 58-a

The Supervisory Board member shall be obliged to perform the authorisations given to him by laws and this Statute in the Bank's interest and in the shareholders' interest with due care and diligence and the one cannot assign its authorisations to another Supervisory Board member.

If the Supervisory Board members violate their obligations, they are liable to the Bank on the damage caused as joint debtors with the Management Board members if during the issuing a prior approval they didn't act with due care and diligence.

Supervisory Board Management**Article 59**

On its first meeting after the appointment, the Supervisory Board elects a President from its members and at least one Deputy President. The appointment requires a majority of the votes of all Supervisory Board members. If at the first voting no proposed person receives enough number of votes, after a repeated voting for the two persons having the largest amount of votes at the first voting, the person having more votes will be elected for the proposed function.

In case the term of the Supervisory Board member who is a President or a Deputy President of the Supervisory Board ceases to exist, election for replacement for the period of time until the term of the originally appointed President or Deputy President ends will be carried out at the next Supervisory Board meeting.

The Supervisory Board President is entitled and obliged to:

- conduct the meeting;
- define, propose the agenda at the meeting;
- gives award to the members and the invited persons;
- direct the discussion on the meeting;
- take actions in case of disrespect of the order at the meeting;
- execute the minutes, decisions, statements and proposal as well as other documents of the Supervisory Board;
- determine the manner of publishing of public notifications of the decisions of the Supervisory Board
- supervise the implementation of the decisions, statements and proposals, as well as other documents of the Supervisory Board;
- perform other activities stipulated in this Statute and in the Rules of Procedure of the Supervisory Board;

In case of prevention of the Supervisory Board President, his activities shall be performed by his deputy, and in case both of them are absent, the activities of the Supervisory Board President are performed by a Supervisory Board member appointed in writing by the President.

Meetings and Decisions of the Supervisory Board**Article 60**

The Supervisory Board meetings are called by the President with agenda proposal, by stating the time and venue for the meeting. The President presides with the meetings, is responsible for keeping records of the meetings and organisation of other ways (forms) of operation and decision-making by the Supervisory Board.

Each Supervisory Board member can request from the President to call a Supervisory Board meeting through a written request stating the reasons and the purpose. The meeting has to be held within 15 days from the day the request was submitted.

If at least one-third of the Supervisory Board members support the request for a meeting to be called, the Supervisory Board President is obliged to convene a meeting within 15 days from the day the request is submitted.

The meeting referred to in paragraph 3 of this article shall be convened by sending a notification to all Supervisory Board members, which is the usual procedure for convening of Supervisory Board meetings, and the notification shall provide information on the reasons, place and time the meeting will be held. The Supervisory Board has a quorum if the majority of all members are present with obligatory presence of the President or his deputy, or a Supervisory Board member appointed in writing by the President in the cases referred to in paragraph 4 of article 59.

The Supervisory Board decides by majority of votes of all members. In case of equal number of votes, the vote of the Supervisory Board President is a deciding vote and in his absence, the vote of the chairman authorised by the President for his representation.

Supervisory Board members can participate and make decisions at a meeting organised via conference call or assisted by other equipment for audio visual communication where all persons participating at the meeting organised in such a form have to be enabled to hear, see and speak to each other. The persons present at such meetings and included at the meetings in such a manner are considered a participants at the meetings. The participation at the meeting is recorded in the minutes signed by all members participating at the meeting organised in such a manner.

The Supervisory Board can also make decisions if no meeting is held if all Supervisory Board members agree on the decision delivered without a meeting. The Supervisory Board President or the person authorised for that, shall prepare minutes for recording all decisions adopted in this manner. The minutes are executed by the Supervisory Board President, and in his absence, by a member of the Supervisory Board, within 30 days from the day of giving consent on the decision delivered without a meeting to be held.

Minutes are prepared for each Supervisory Board meeting, regardless of the way the meeting was held. The form and content of the minutes are defined more closely in the Rules of Procedure of the Supervisory Board. The minutes have to be prepared within three days from the date the meeting was held.

The minutes shall be executed by all members present on the meeting, and adopted by the Supervisory Board at the next meeting.

The detailed information on the operation, voting procedure and other issues are defined in the Rules of Procedure of the Supervisory Board delivered by the Supervisory Board.

Article 60-a

The Supervisory Board from its members forms:

- 1. Remuneration Committee**
- 2. Nomination Committee**

Remuneration Committee

The Remuneration Committee is consisting of 4 members.

The members and the President of the Remuneration Committee are appointed and resolved by the Supervisory Board of the Bank, from the ranks of its members

The mandate of the members of the Remuneration Committee shall run from the moment of appointment to the moment of their dismissal with an appropriate decision or cancellation from their side.

The Remuneration Committee meets at least one year, and if needed more.

The Remuneration Committee works at a meetings convened by the President.

The agenda, place and time of holding the meetings shall be determined by the President.

The session may be held if the majority of the members of the Committee are present.

The members of the Committee have the following rights and obligations:

- to participate on the sessions of the Committee
- to discuss and resolve all proposals
- to submit proposals and notes and to request additional information and clarifications necessary for decision-making

The basic competence of the Remuneration Committee is to deliver draft-decisions for the total amount of annual variable part, based on the achievement of the performance criteria for the members of Management Board in accordance with the Remuneration Policy for employees in NLB Banka AD Skopje

The provisions for the method of work, the decision-making procedure and more, are regulated in the Rules of Procedure on the Remuneration Committee.

Nomination Committee

The Nomination committee consists of 4 members.

The members and the President of the Nomination Committee are appointed and dismissed by the Supervisory Board of the Bank, from the ranks of its members.

The mandate of the members of the Nomination Committee shall be from the moment of appointment until the moment of their repatriation with an appropriate decision or cancellation from their side.

The Nomination committee meets whenever the Bank needs the implementation of the appointment procedure, tracking the work and dismissal of the members of the Supervisory Board, the Risk Management Committee, the Audit Committee, the Management Board and the Manager of the Internal Audit Department.

The Nomination committee works at a meeting calls by the President.

The agenda, place and time of holding the meetings shall be determined by the President.

The session may be held if the majority of the members of the Committee are present.

The members of the Committee have the following rights and obligations:

- to participate in the meetings of the Committee
- to discuss and resolve all points of the agenda
- to submit proposals and notes and to request additional information and clarifications necessary for decision making
- Adoption of proposal decisions
- submission of proposal decisions to the Supervisory Board

The basic competence of the Nomination Committee is the implementation of the selection procedure, tracking the work and resolution of the members of the Supervisory Board, the Audit Committee, the Management Board, the Risk Management Committee and the Manager of the Internal Audit Department

The provisions on the mode of operation, the decision procedure and more, are regulated by the Rules of procedure of the Nomination Committee .

1.3. Management Board

Article 61

The Bank's Management Board shall represent and shall act on behalf of the Bank and manages its business

The Management Board of the Bank is comprised of 4 (four) persons, as members of the Management Board which have equal responsibility for the operations of the Bank and the obligations undertaken by the Bank.

Each of the members of the Management Board is a legal representative of the Bank and the Bank is represented at any time by two members of the Management Board, one of whom must be the President of the Management Board. In case of his absence, he can transfer this right only to another member of the Management Board.

The members of the Bank's Management Board shall be appointed by the Bank's Supervisory Board based on majority of votes upon prior consent by the National Bank.

Upon decision on appointment of the members of the Management Board, one of the members is appointed President of the Management Board. The mandate of the Management Board has a duration of 4 (four) years, unless the National bank decides otherwise with a prior consent decision.

If the number of members of the Bank's Management Board shall fall below the number stipulated by law, the Supervisory Board appoints officer or officers in charge acting as a member of the Management Board from the members of the Supervisory Board. The Supervisory Board member appointed as acting member of the Management Board may not participate in the decision making process within the competences of the Supervisory Board within the period of execution of such function.

Article 62

The Management Board may assign certain authorizations arising from the rights on representation and acting on behalf of the Bank to persons with special rights and authorizations or to other experts of the Bank only based on a special decision.

The Bank's Management Board may authorize a person with special rights and responsibilities or other employees of the Bank to conclude agreements and execute particular documents of the Bank based on a special decision.

The person with special rights and responsibilities or other employees shall submit a report to the Bank's Management Board on the issues mentioned in the previous paragraph.

The authorised persons from the previous paragraph of this Article may not assign their authorisations to other employees without consent of the Management Board.

The Bank's Management Board shall deliver decisions, instructions and other acts on the manner of execution, signing of documents and authorisation for execution of such documents.

Article 63

The members of the Bank's Management Board are responsible for the legality of the Bank's operation. The members of the Bank's Management Board are responsible for their work to the Bank's Supervisory Board.

The President of the Management Board shall convene the meetings and preside with them and shall be responsible for keeping the minutes of the meetings and the organization of the other forms, based on which the Management Board is operating and making decisions.

If the President shall be unable to perform his/her function due to any reason or is absent, a Management Board member authorized by the President of the Management Board shall preside with the Management Board meetings.

Article 64

The Management Board during the management of the Bank performs competencies in accordance with the Law and this Statute, makes adequate decisions and has specifically defined responsibilities. The competencies and responsibilities of the Management Board are specifically defined and included in Articles 64-a, 64-b and 64-c.

Article 64-a

In the management with the Bank's business, the Management Board shall perform the following activities:

1. Management of the Bank;
2. Representing the Bank;
3. Organizing the preparation of the proposals on general acts, decisions and other acts subject to deciding by the Bank's Assembly;
4. Execution of the decisions of the Assembly and the Supervisory Board of the Bank, that is, taking care of their implementation;
5. Taking initiatives and producing proposals on improvement of the Bank's business;

6. Appointing and dismissing the Bank's persons with special rights and obligations pursuant to this Statute and the provisions of the Banking Law, defining their salary and concluding contracts with them, as well as the other employees of the Bank on Expert and Management positions for which management agreements are concluded
7. Preparing the business policy and the development plan of the Bank;
8. Preparing the Bank's financial plan
9. Preparing the policy on security of the Bank's information system
10. Preparing annual report on the Bank's business and submits it to the Supervisory Board;
11. Preparing the Code of Conduct of the Bank;
12. Deciding in case of veto / prohibition by the Risk Management Member of the Credit Committee, for making decisions on the Credit Committee for credit exposures towards individual persons up to 10% of the Bank's own funds and shall notify the Bank's Supervisory Board of any decision taken at the next regular session;
13. Approving acquisition of capital parts and purchase of securities less than 5% of the Bank's own assets, as well as purchase of securities issued by the National Bank of the Republic of North Macedonia;
14. Deciding on employment, allocation and awarding of the employees pursuant to the legal provisions and the Bank's general acts;
15. Deciding on granting and borrowing loans for liquidity guarantees, endorsements and letters of credit within the frame of the limits stipulated by law, the act on the Bank's business policy and the Decision on the crediting policy delivered by the Supervisory Board;
16. Defining proposals on decisions and other acts subject to decision by the Bank's Supervisory Board;
17. Informing of Bank's shareholders;
18. Directing and organizing the operation of the Bank's divisions, especially with regards to the timely and professional execution of tasks;
19. Delivers the act on organization and definition of workplaces in the Bank;
20. Decides on establishment of organizational units
21. Decides on issues in the field of protection of employee's rights
22. Delivering of the Rules of Procedure for the Management Board and informs the Supervisory Board about its amendments and supplements on a regular basis
23. Delivering of individual acts of the Bank;
24. Establishing inventory committees for assets and sources of funds, a committee on expenditures and alienation of assets and small inventory, and on requirement, also other committees and operational bodies and appointing their members and
25. Reviews and adopts the report on the annual inventory
26. Performing other operations stipulated by Law, the present Statute and other general acts of the Bank.

Article 64-b

The Bank's Management Board shall be responsible for:

- Ensuring conditions for the Bank's operations pursuant to the provisions;
- Management and monitoring of the risks the Bank is exposed to during its operations;
- Achievement and maintaining an appropriate level of own assets;
- Functioning of the system on internal control at all fields of work of the Bank;
- Unobstructed operation of the Bank's Internal Audit Division, that is, ensuring that the Internal Audit Division has access to the documentation and the employees of the Bank for the purposes of unobstructed realization of its authorizations;
- Unobstructed operation of the Compliance and Integrity Centre, that is, ensuring that the Centre has access to the documentation and the employees of the Bank for the purposes of unobstructed realization of its authorisations;

- Delivery and realization of a policy on the way of selection, monitoring of the operation and dismissal of persons with special rights and responsibilities, except for the members of the Supervisory board, the Risk Management Committee, the Audit Committee and the Management board;
- Keeping records of the trade and other books and the business documents of the Bank preparation of financial and other reports pursuant to the accounting regulations and accounting standards;
- Timely and correct financial reporting;
- Regularity and correctness of the reports submitted to the National Bank pursuant to the law and the provisions delivered based on the law;
- Realization of the measures imposed on the Bank by the [Governor-Executive Board](#) and
- Legality of the Bank's operation.

Article 64-c

Upon prior consent by the Supervisory Board the Management Board shall decide on:

1. Closing (ceasing) or transfer of a company or a part of a company participating with over 10% in the Bank's income;
2. Cutting down or extension of the Bank's subject of operation;
3. Essential internal organisational changes in the Bank;
4. Maintaining long-term cooperation with other companies of essential significance for the Bank or its cancellation;
5. Establishment or closing of a company participating in the Bank's equity capital with over one-tenth;
6. Establishment and closing of Bank's branches; and
7. Other issues stipulated in the present Statute.

The Management Board shall inform the Supervisory Board on its business at least quarterly.

The Management Board shall be obliged to notify the Supervisory Board on:

1. Impaired liquidity or solvency of the Bank;
2. Existence of a reason for cancellation of the license for establishment and operation or on a prohibition on performance of a particular financial activity according to the law;
3. Decrease of own funds under the stipulated level according to the law;
4. Findings of the supervision and the monitoring of the National Bank and
5. Findings of the Public Revenue Office and other controlling bodies.

The Management Board shall be obliged to immediately inform the National Bank on the cases mentioned in items 1, 2 and 3.

Article 64-d

The members of the Bank's Management Board are responsible for separate areas of the Bank's operations as follows:

- I. **President of the Management Board** - responsible for areas: Chief executive functions , Financial management functions and Management functions with corporate banking, Assistants to the Management Board, by areas/divisions under his authority, Advisors to the Management Board by area.
- II. **Member of the Management Board** - responsible for the area Risk management functions, Assistants to the Management Board, by areas/divisions under his authority, Advisors to the Management Board by area.
- III. **Member of the Management Board** - responsible for the area Operations management functions, Assistants to the Management Board, by areas/divisions under his authority, Advisors to the Management Board by area.

- IV. **Member of the Management Board** - responsible for area: Management functions with retail banking, Assistants to the Management Board, by areas/divisions under his authority, Advisors to the Management Board by area

Area – Chief executive functions (CEO Area) covering:

- The Legal and Secretariat Division,
- The Human Resources ~~& Organization~~ Division
- [Organization, business processes & project office Center](#)

Area – Financial management functions (CFO Area) covering:

- The Financial Market and Treasury Division,
- The Financial Management Division.

Area – Management functions with corporate banking (CMO Area/ corporate banking) covering:

- The Corporate Clients Division,
- The Corporate Sales support Division

Area –Risk management functions (CRO Area) covering:

- The Restructuring and [Workout Collection](#) Division,
- The Risk, Evaluation and Control Division,
- The Credit Risk Division,
- The Compliance and Integrity Center.

Area – Operations management functions (COO Area) covering:

- The Information Technology Division,
- The Banks Logistics Division,
- The Sales Logistics Division,
- The Payment System Division,
- The Cash Services and Depot Division
- IT infrastructure and security center

Area – Management functions with retail banking (CMO Area/ retail banking) covering:

- The Sales Network Division,
- The Offer and Marketing Development Division,
- [The Micro Enterprises Department](#),
- [Contact Center](#).

Meetings and Decisions of the Management Board

Article 65

Usually the work and the decision-making of the Management Board shall be performed on meetings held at least once a week.

Management Board meetings shall be convened by the President.

Each Management Board member may request from the President to call a Management Board meeting based a written request stating the reasons and the objective.

If one-third of the Management Board members shall request a meeting to be convened, the Management Board President shall be obliged to call a meeting within 15 days from the day the request is submitted.

The meeting referred to in paragraph 3 of this article shall be convened by informing all Management Board members, which is the usual procedure for convening of the Management Board meetings, which notification shall provide information on the reasons, place and time the meeting shall be held.

The Management Board shall have quorum provided that the minimum half of all members are present with obligatory presence of the President or a Management Board member authorized by the President of the Management Board pursuant to article 63, paragraph 4 of this Statute.

The Management Board as a rule, makes decisions unanimously by the members present on the Board. Exceptionally, if there is no consent from all of the members the Management Board, the Management Board decides with the majority of the present total number of members on the session.

In case of equal number of votes, the vote of the President of the Management Board shall be considered as a deciding vote.

When a meeting is held in the presence of half of the total number of members of the Management Board, decisions are adopted unanimously”

Management Board members may participate and make decisions on a meeting organized via a conference call or assisted by other equipment for audio visual communication where all persons participating at the meeting organised in such a form have to be enabled to hear, see and speak to each other. The participants included in such a manner are considered as persons attending

To digitalize and rationalize the work of the Management Board, the Management Board, can establish a way of holding meetings by using a digital platform / software solution designed for electronic registering of the voting process for each individual decision by the members of Management Board. For the adopted decisions voted through a platform / software solution, the Management Board may authorize a person/s from the Secretariat of the Bank within the Legal Division and Secretariat which on behalf of the Management Board will formally sign the adopted decisions. The authorization for signing the decisions through the authorized person determined in this Article does not refer to decisions intended for external use before competent bodies and institutions and to decisions submitted to the National Bank of the Republic of North Macedonia, in accordance with the valid regulations, the same will be signed by a member/s of the Management Board.

The Management Board may also decide is no meeting is held if all Management Board members shall agree on the decision delivered without a meeting. On all decisions delivered in this way minutes are kept by the Management Board President, that is, the person he/she shall authorise to keep the minutes recording the decisions. The minutes shall be executed within 30 days as of the day of consent for the decision delivered without a meeting to be held by the Management Board President, and in his/her absence, by a Management Board member.

Minutes shall be kept for every meeting of the Management Board, regardless of the manner the meeting was hold. Minutes shall have to be prepared within three days as of the date the meeting was held. The minutes shall be signed by all members present at the meeting.

The detailed information on the operation, voting procedure and other issues shall be defined in the Rules of Procedure of the Management Board delivered by the Management Board.

Article 66

The candidate for a Management Board member has to possess:

- A university degree;

- At least six years of successful working experience in the field of finance or banking or three years of working experience as a person with special rights and responsibilities in the Bank and activities corresponding to the Bank appointing him and

- Knowledge on regulations associated with banking.

Management Board members have to be permanently employed at the Bank.

At least one of the members has to be fluent in Macedonian language and its Cyrillic alphabet and should have a permanent residence in the Republic of North Macedonia.

The members of the managing board shall have the professional knowledge and experience necessary for bank's management, and especially for understanding of the activities the Bank is carrying out and the material risks it is exposed to, pursuant to the corporate management rules prescribed by the Council of the National Bank that are delivered pursuant to international standards.

Moreover, the Management Board member has to comply with the criteria for persons with special rights and responsibilities defined in article 86 of the Statute.

The Management Board members shall be obliged to immediately notify the Supervisory Board if he/she or persons associated with him/her shall gain control over an another legal entity

Article 67

Based on a special act, the Bank's Management Board may decide to transfer certain activities to employees with special authorisations and responsibilities or other employees of the Bank, not applying to activities legally defined as its exclusive competence.

The employees with special authorisations and responsibilities and other employees shall submit a report to the Bank's Management Board on the activities referred to in the previous paragraph.

Article 68

The Bank's Supervisory Board shall conclude a Management Agreement with each member of the Bank's Management Board pursuant to the legal provisions.

Article 69

Pursuant to this Statute, the Bank shall conclude agreements on the conditions under which the Management Board members and other employees with special authorizations, as well as members of their immediate family are not allowed to establish a bank or savings house, or to be employed in a bank or savings house on a position with special rights and responsibilities while they are employed in the Bank without a prior consent by the Supervisory Board.

If the Bank's employees shall establish a bank or savings house contrary to the previous paragraph, the Bank shall be entitled to claim compensation for damages before the competent court and to initiate an action on deletion of the established bank or savings house from the court registry.

Article 70

The Assembly may deliver a decision on approval for participation in the profit to the Management Board members as a reward for their work, pursuant to the provisions stipulated in this Statute and the law.

Article 71

The Management Agreement of a member of the Bank's Management Board may be cancelled in following cases:

1. If he seriously violates the effective regulations regulating the Bank's operations, the Statute and other documents;
2. Legal obstructions for performing the function;
3. Upon request by a Management Board member;
4. Upon assessment of the Supervisory Board with no fault of the Management Board member.

A Management Board member may resign at any time by submission of a written notification to the Supervisory Board. The signature of the Management Board member on the notification on resignation shall be verified by a notary public.

After the resignation is submitted, it is not decided on its acceptance. If the Bank's interests are requesting it, the Management Board can oblige the resigning member to continue to perform the function until a new Supervisory Board member is elected, but no longer than 60 days.

Moreover, the term of the Management Board members may be terminated early if the Supervisory Board shall dismiss them with or without explanation. At the same meeting the Supervisory Board shall elect new Management Board members, that is, a new member as replacement for the dismissed members that is, the dismissed member.

The decision on dismissal shall come into effect as of the date of its delivery.

The term of the Supervisory Board members can cease early if he is convicted by a legally binding decision with an imprisonment sentence pursuant to the legal provisions.

In addition, the term of Management Board members may be terminated early if the Shareholders' Assembly shall fail to approve the Business Report of the Management Board.

Article 72

Before cancellation of the Management Agreement, the Supervisory Board shall be obliged to enable the Management Board member to give a statement on the reasons for his/her dismissal.

Article 73

If the persons with special rights and responsibilities shall state that the decision of the Bank's bodies is contrary to the law or to a regulation adopted based on law or that its content can

Article 73-a

The Management Board, from its members and from other persons, form:

- 1. Development Committee and**
- 2. Assets and liabilities Committee**

Development Committee

The Development Committee is the advisory body of the Management Board of the Bank and performs its activities in accordance with the laws that regulate the Bank's operations and this Statute.

The improper provisions regarding the course and the procedure for conducting at the session of the Development Committee, for the summation of the sessions, the manner of work, the decision procedure and others shall be defined in the Rules of procedure of the Development Committee.

Assets and liabilities Committee

The Assets and liabilities Committee is the advisory body of the Management Board of the Bank and performs its activities in accordance with the laws that regulate the Bank's operations and this Statute.

The improper provisions regarding the course and the procedure for conducting at the session of the Assets and liabilities Committee, for the summation of the sessions, the manner of work, the decision procedure and others shall be defined in the Rules of procedure of the Assets and liabilities Committee

1.4 Risk Management Committee

Article 74

The Risk Management Committee shall consist of 9 members.

The members of the risk management committee are selected from among the persons with special rights and responsibilities employed in the Bank and obligatory have to possess experience on the field of finance or banking of at least 3 years, have knowledge on bank's operation, its products and services and have knowledge about the risks the bank is exposed to.

One of the members of the Bank's Management Board shall obligatory be a member of the Risk Management Committee.

Members of the Risk Management Committee are:

- The President of the Management Board, who is also the President of the Risk Management Committee;
- Member of the Management Board responsible for the area Risk management functions ;
- Member of the Management Board responsible for the area Management functions with retail banking ;
- The manager of the Sales Network Division;
- The manager of the Legal and Sekretariat Division;
- The manager of the Risk,Evaluation and Control Division;
- The manager of the Financial Markets and Treasury Division
- The manager of the Information Technology Division
- The manager of Restructuring and ~~workout~~ Collection Division

The Supervisory Board shall deliver a decision on appointment and dismissal of members and the President of the Risk Management Committee and shall approve the Bank's policies on risk management.

Article 75

The Risk Management Committee shall meet at least once a week.

The Risk Management Committee meetings shall be convened by the Committee's President and in his/her absence, by a member of the Committee designated in writing by the President, defining at the same time the agenda, place and time of the meeting.

The documents for decision-making at the Risk Management Committee meetings shall be prepared by the Bank's experts from the relevant organizational units of the Bank.

The Risk Management Committee President shall open the meeting, state the quorum, lead the meeting and ensure the meeting order.

The Risk Management Committee shall have a quorum if it has been dully convened and the majority of all members are present.

The mandate of the Risk Management Committee members appointed by the Supervisory Board shall last from the moment of appointment until their dismissal with an appropriate decision or their resignation.

More detailed information on the course and the procedure of the meetings shall be given in the Rules of Procedure for the Risk Management Committee.

The Risk Management Committee shall deliver decisions with majority of the Committee's members.

The Committee's decisions shall be delivered by public voting unless otherwise decided by the Risk Management Committee.

Minutes shall be kept for each meeting of the Risk Management Committee. The minutes have to be prepared within three days as of the day the meeting was held on. The minutes shall be adopted by the Risk Management Committee on its next meeting and shall be executed by the President. The form and content of the minutes shall be defined in details in the Rules of Procedure for the Risk Management Committee.

The Risk Management Committee least once a year shall evaluate its own operations in terms of the work of each member and collectively and shall submit the evaluation report to the Supervisory Board.

The rules on the manner of operation, the procedure on decision-making and other, shall be regulated in details in the Rules of Procedure for the Risk Management Committee.

Article 75-a

The Risk Management Committee shall perform the following activities:

- continuously monitor and evaluate the risk level of the Bank and shall determine the acceptable level exposure to risk;
- of risk exposure intended to minimize the losses arising from the Bank's

- establish policies on risk management and monitor their implementation;
 - monitor the regulations of the National Bank referring to risk management and the Bank's compliance with such regulations;
 - perform assessment of the Bank's risk management systems;
 - determine short-term and long-term strategies on management with the specific risk types the Bank is exposed to;
 - analyse the reports on Bank's risk exposure prepared by the Bank's divisions performing risk assessment and propose strategies, measures and instruments for risk protection;
 - analyse the efficiency of the internal control systems' risk management functioning;
 - analyse the effects of risk management on the Bank's performances;
 - analyse the effects of the proposed risk management strategies, as well as the proposed strategies, measures and instruments for risk protection;
 - Assessment of the compliance of the prices of products and services offered by the Bank with the level of assumed risk, pursuant to bank's business policy and development plan;
 - It quarterly reports to the supervisory board about the changes in bank's risk positions, the changes of the risk management strategy, the effects of risk management on bank's performance, as well as the measures and instruments taken for protection from risks and their effects;
 - Approves exposure toward a person of over 10% up to 20% of bank's own funds;
 - follow the policy for information system security and identify the cases when its revision is necessary;
 - assess the established process for information system security management;
 - analyse the risk assessment report and monitors the activities being undertaken in reference with the management of the information system security;
 - determine and regularly revise the defined levels of acceptability of risks
- The Risk Management Committee mandatory assesses whether the remuneration system is considering the risk profile of the bank and its solvency, liquidity and profitability

1.5. Audit Committee

Article 76

The majority members shall be elected from the Supervisory Board members and the remaining ones shall be independent members.

At least one Audit Committee member shall have to be an authorised auditor. The Audit Committee members shall be appointed by the Supervisory Board with a term of four years.

The Audit Committee members shall have to fulfill the requirements referred to in article 86 and shall have to possess knowledge on:

- The Bank's operation, its products and services;
- The risks the Bank is exposed to;
- The internal control systems and the risk management policies of the Bank and
- Accounting and audit.

The members of the Audit Committee shall elect a President responsible for the organization of the work of the Audit Committee.

In case of early cessation of the term of the Audit Committee members, the provisions on early cessation of the term of the Supervisory Board members from the present Statute are fully applied.

Article 77

The Audit Committee shall meet at least quarterly, as well as upon request by the Supervisory Board.

The Audit Committee meetings shall be convened by the President with an agenda proposal, at the same time stating the time, place and premise the meeting shall be held in.

The documents on decision-making at the Audit Committee meetings shall be prepared by experts from the Bank's divisions.

The Audit Committee President shall start the meeting, state the quorum, lead the meeting and ensure the meeting order.

The Audit Committee shall have a quorum, provided it the meeting shall be dully convened and provided the majority of the members is present.

More detailed information on the course and the procedure at the meetings shall be given in the Rules of Procedure for the Audit Committee.

The Audit Committee shall deliver decisions by majority of the Committee's votes. The decisions of the Audit Committee shall be delivered by public voting, unless otherwise decided by the Audit Committee.

Minutes shall be prepared for each Audit Committee meeting.

The minutes shall have to be prepared within three days as of the day the meeting was held, shall be adopted by the Supervisory Board on its next meeting and shall be executed by all members who were present at the meeting. The form and the contents of the minutes shall be determined in details in the Rules of Procedure of the Audit Committee.

The Audit Committee shall perform an assessment of its own work in terms of each member and collectively at least once a year.

The Audit Committee files a semi-annual report and an annual report on its operation to bank's Supervisory Board. In the annual report is included the assessment of the previous paragraph of this article. At least once in a three months informs the Supervisory Board of the Bank for its work.

Article 78

The Audit Committee shall perform the following activities:

1. Reviewing the Bank's financial reports and caring for the correctness and transparency of the published financial information on the Bank's business according to the regulations for accounting standards;
2. Reviewing and evaluating the internal control systems;
3. Monitoring the operation and evaluating the efficiency of the Internal Audit Division;
4. Monitoring the auditing process of the Bank and evaluating the work of the auditing company;
5. Delivering the Bank's accounting policies;
6. Monitoring the compliance of the Bank's business with the regulations referring to the accounting standards and the financial reports;
7. Holding meetings with the Management Board, the Internal Audit Division and the auditing company with regards to stated discrepancies with the regulations and the weaknesses in the Bank's operations;
8. Reviewing the reports of the Risk Management Committee and
9. Proposes appointment of an auditing company and cancelation of the agreement concluded with the auditing company.

The Audit Committee shall deliver its Rules of Procedure approved by the Bank's Supervisory Board.

This Committee shall be entitled to engage experts on account of the Bank in order to efficiently complete and fulfil the obligations.

Article 79

The article is deleted.

Article 80

The article is deleted.

Article 81

The article is deleted.

Article 82

The article is deleted.

Article 83

The article is deleted.

Article 83-a

The article is deleted.

Article 83-b

The article is deleted.

Article 83-c

Credit Committee

The Bank shall form a Credit Committee as a bank body.

The Credit Committee consists of six members.

The Supervisory Board appoints and dismisses the members of the Credit Committee of the Bank.

The members of the Credit Committee are: The President of the Management Board, Member of the Management Board responsible for the area Risk management functions , , the managers of the organizational units in the area of working with legal entities, in the area of working with individuals, in the area of managing problematic placements and in the area of risk management.

With the decision for appointing members of the Credit Committee shall be appointed President and Deputy President of the Committee, as well as the deputy members of the Credit Committee from the ranks of persons with special rights and liability or other persons who replace the members in their absence.

The mandate of the members of the Credit Committee ranges from the moment of appointment to the moment of their withdrawal with an appropriate decision or cancellation from their side.

The Credit Committee works at a sessions convened by the President of the Credit Committee.

The Sessions are held as a rule once a week.

The Credit Committee shall have a quorum if the majority present is present of the total number of members to whom, in any event, the President or person designated by the President of the Credit Committee

The Credit Committee decides with a majority vote of the total number of members.

Within the limits defined by the internal acts of the Bank, the Credit Committee shall decide on:

1. Loan approval for loan applications within the limits determined by the Bank's regulations
2. Purchase and sale of securities other than securities issued by the NBRM and government securities, within limits determined by the Bank's acts, and
- 3 Other activities that are under the jurisdiction of the Credit Committee of the Bank, as defined by the legal regulations and internal acts of the bank.

The provisions for the work of the Credit Committee of the Bank shall be determined in the Rules of procedure of the Credit Committee issued by the Credit Committee and informs the Supervisory Board about its amendments and supplements on a regular basis.

The Credit Committee files an annual report on its operation to bank's Supervisory Board
Except for the Supervisory Board, the Management Board, the Credit Committee of the Bank and the Risk Management Committee, the persons with special rights and responsibilities and other employees determined by the regulations and the acts of the Bank, within the limits determined by those acts, shall decide on credit.

Article 83-d Signing the decisions

In order to optimize and rationalize the work of the bodies of the Bank (Supervisory Board (including the Nomination and Remuneration Committee), Audit Committee, Management board (including Development Committee and Assets and liabilities Committee), Risk Management Committee and Credit Committee), the Bank may apply a centralized digital signing of all previously voted decisions by members of the relevant bodies of the Bank using a qualified Digital certificate.

The digital signing of decisions concluded in this Article does not apply to decisions intended for external use before competent authorities and institutions and decisions submitted to the National Bank of the Republic of Northern Macedonia. In accordance with the applicable regulations, they will be signed by member/members of the relevant authority with their handwritten signature

Advisory Bodies

Article 84

In order to exercise its rights and obligations, the Management Board shall constitute a council, permanent and temporary committees, as well as advisory bodies.

The composition and competence of the permanent and the temporary committees shall be determined by the Management Board with the act on their establishment.

The Management Board shall run the Council of the Bank, convene the meetings and establish the agenda. The Bank's Council shall consist of the Management Board and persons with special rights and responsibilities.

Article 85

The Advisory Bodies shall assist the Management Board of the Bank.

Other management experts and other associates may be invited at the meetings of the Advisory Bodies.

The Advisory Bodies shall consider all the issues of the Bank's operations that the Management Board may find as necessary to be reviewed.

Persons with Special Rights and Responsibilities

Article 86

A person with special rights and responsibilities in a bank shall have a university degree and be knowledgeable in banking and/or finance regulations, corporate governance rules and shall have appropriate experience ensuring safe and sound bank management.

Besides the persons established by the Banking Law, persons with special rights and responsibilities in the Bank shall be:

- Managers of Divisions
- Managers of Centres
- Deputy Managers of Divisions
- Deputy Managers of Centres
- Advisors of the Management Board in different field of work
- Regional directors
- Management Board Assistant
- Person in charge of the control functions (the Manager of Risk, Evaluation and Control Division, the Manager of the Internal Audit Division and the Manager of the Compliance and Integrity Centre).

The persons with special rights and responsibilities shall manage and organise the operations of the Bank's units for which they have been appointed.

The person with special rights and responsibilities may be persons whose rights and obligations are regulated by the Employment Agreement with the bank or persons whose rights and obligations are regulated by a management agreement with the bank.

The mandate of the persons with special rights and responsibilities appointed by the Management Board shall run from the moment of appointment until the moment of their repatriation with the relevant decision or cancellation of their party.

The mandate of the persons with special rights and responsibilities whose rights and obligations are regulated with a management agreement with the bank lasts 4 years.

The rights, responsibilities and competences of persons with special rights and responsibilities are regulated by the Regulations for organization and systematization of workplaces, which is adopted by the Bank's Management Board.

A person with special rights and responsibilities may not be:

1. Member of the Council of the National Bank;;
2. Employee at the National Bank
- 2-a A person who for criminal acts against property, criminal acts against public finances, payment operations and economy, criminal acts against official duty, as well as criminal acts forgery of document, special cases of document forgery, computer forgery, use of document with false content and unauthorised practice of law from the Criminal Code was convicted with a legally valid verdict to an imprisonment sentence of more than six months, till the legal consequences of the verdict are valid;
3. Deleted;
4. A person pronounced with a misdemeanour sanction or a sentence imposing prohibition of performance of profession, activity or duty;
5. A person with poor reputation that might endanger the secure and stable operation of the Bank;
6. A person who does not respect the provisions of this Law and the regulations adopted based on this Law and/or did not or shall not implement and/or did or shall act contrary to the measures imposed by the [Governor-Executive Board](#) resulting in previous or current endangering of the security and the stability of the Bank;
7. Member of the Supervisory Board, Risk Management Committee, Audit Committee and Management Board of another Bank or an employee of another Bank, or
8. A person who acted as a person with special rights and responsibilities in the Bank or other legal entity where administrative ban has been introduced or over which a bankruptcy or liquidation procedure has been instituted, unless it can be unambiguously proven, based on the documentation and data available, that this person did not contribute to the occurrence of the event resulting into administrative ban, bankruptcy or liquidation procedure, or has performed the function just before or after the occurrence of the reasons resulting with imposition of the administrative ban, institution of a bankruptcy or liquidation procedure.

Member of a managing board of a bank at the same time can be member of max. two supervisory bodies respectively nonexecutive member of the board of directors of max. two nonbanking institutions or nonfinancial institutions.

Member of a supervisory board of a bank at the same time can also be:

- Member of a management body and of one supervisory body, respectively perform one function of an executive and one function of a nonexecutive member of a board of directors in nonbanking financial institutions or nonfinancial institutions or
- Member of three supervisory bodies, respectively to perform three functions of a nonexecutive member of a board of directors of nonbanking financial institutions or nonfinancial institutions.

Member of a managing board of a bank can't be also a person that is the manager, member of a managing board or executive member of a board of directors in any domestic or foreign company.

The limitations of paragraph 4 item 7, and paragraphs 5, 6 and 7 of this article don't refer to membership in:

- Bodies of non-profit organizations on voluntary basis, without consideration and
- In bodies of companies that are part of the same banking group in the Republic of North Macedonia or abroad.

Article 87

The persons with special rights and responsibilities appointed by the Management Board shall report to the Bank's Management Board on the results of their work.

Article 88

The persons defined in Article 86 paragraph 2 shall be appointed and dismissed by the Management Board of the Bank according to the act on organisation and systematisation of the Bank, except from the person with special rights and responsibilities that is in charge of the Internal Audit Division (Director of the Internal Audit Department).

The Management Board of the Bank shall be entitled to conclude management agreements with the persons defined in Article 86 paragraph 2 where the terms of appointment, rights, responsibilities, obligations, salary, amount of the premium for life insurance, reasons for termination of the management agreement, , validity period of the contract, etc., shall be defined.

Article 89

The persons with special rights and responsibilities shall be performing operations they have been authorised for according to the general acts and duties that are transferred to them upon a special act delivered by the Management Board.

In case of absence of the Management Board members, all their rights, obligations and responsibilities, with exception to the duties that are legally defined as their exclusive competence, shall be performed by the employee Management board based on a written act.

Article 89-a INTERNAL AUDIT DIVISION OF THE BANK

In order to carry out the Bank's operations in accordance with the basic Banking Principles, with the conditions prescribed by the Law and the Bank's general acts, the Bank performs a continuous and complete audit of the legality, regularity and promptness of the Bank's operations.

The continuous and complete audit of the legality, regularity and promptness of the Bank's operations is performed through the Internal Audit Department determined by the legal regulations and the Bank's acts through :

1. Assessment of the adequacy and efficiency of the internal control systems;
2. Assessment of the implementation of the risk management policies;
3. Assessment of the implementation of the information system;
4. Assessment of the accuracy and credibility of the ledgers and financial reports;
5. Control of the accuracy, credibility and appropriateness at reporting pursuant to the regulations;
6. Monitoring the compliance with the regulations, code of ethics, policies and procedures;
7. Assessment of the systems for prevention of money laundering and
8. Assessment of the services that the Bank receives from the companies for support services to the Bank.

The Supervisory Board of the Bank is obliged to organize the Internal Audit Division as an independent organizational part of the Bank.

The organizational structure, rights, responsibilities and relationships with the other organizational units of the Bank, as well as the responsibilities and conditions for appointing the Head of Division of the Internal Audit Department shall be regulated by the Supervisory Board.

The Internal Audit Division conducts its activities in accordance with the principles and standards of Internal Audit, the Bank's Code of Ethics and the Division's policies and operating procedures.

Persons in the Internal Audit Division are employed by the Bank and perform only work in the Department. At least one of the persons employed in the Division is a certified auditor. The employees

of the Bank are obliged on the persons, ie the employees of the Division to enable them insight in the documentation available to them and to provide them with all necessary information.

The internal audit in the Bank shall be implemented in accordance with the Annual Plan for activities of the Division, approved by competent bodies, pursuant to the Banking Law.

The audit shall be performed in order to prevent the irregularities in the operations, to ensure prompt detection and indication of the irregularities in the operations and other.

The Internal Audit Division shall be obliged to prepare semi-annual and annual report on its operations and to submit it to the Supervisory Board, the Management Board and the Audit Committee of the Bank.

The Internal Audit Division shall be obliged to promptly inform the Supervisory Board and the Management Board in case the control has determined:

- Violation of the standards for risk management that may lead to worsening of the liquidity and solvency of the Bank, and
- Lack of fulfilment of the Management Board of the regulations, the general acts and internal procedures of the Bank.

The Supervisory Board of the Bank shall adopt a general act regulating in details the procedures for implementation of the competencies of the Division, its composition and other issues in the field of its operations.

Compliance and Integrity Centre

Article 89-b

The Management Board of the Bank shall establish a Compliance and Integrity Centre

The Compliance and Integrity Centre shall be responsible for: monitoring and testing of the compliance of the Bank operations with the regulations, continuous and efficient consulting of the members of the Management Board on the matters concerning the implementation of the regulations, prompt reporting to the members of the Management Board on the amendments and supplements of the regulations, assessment of the potential impact of the amendments of the regulations on the Bank's operations and the environment where the Bank is operating, as well as assessment of the compliance of the new products and business processes in the Bank with the legislation.

The employees at the Bank shall be obliged to provide all the necessary enable the Centre referred to in the previous paragraph an insight in the documents at their disposal and information.

The Centre referred to in paragraph 1 shall be responsible for identification and monitoring of the risks arising from non-compliance of the Bank's operations with the regulations.

The Centre shall perform exclusively the activities mentioned in the previous paragraph of this Article and shall be independent in terms of performance of the activities of its competence.

The Centre shall submit monthly reports on its performance to the Management Board and a quarterly and semi-annual report to the Supervisory Board.

Employees at the Bank

Article 90

The employees of the Bank shall realise their rights and obligations in accordance with the Law, the Collective Agreement and the general acts of the Bank.

Article 91

The specific acts that define in details the issues, the obligations and the responsibilities of the employees shall be adopted by the Bank's Management Board in accordance with the Law, the Collective Agreement and the present Statute.

15. BANK SECRET

Article 92

The documents, data and information on individuals that shall be acquired while performing banking and other financial activities, as well as on deposits made by individuals represent a Bank Secret that the Bank shall be obliged to protect and keep.

Bank and other type of secrets shall also mean the data, information and documents from the previous paragraph that shall be declared as bank and other type of secret by law and by regulations delivered based on the law.

The data that the Bank shall be obliged to submit to the National Bank and to other bodies and institutions pursuant to the law, and that represent a bank secret of the Bank shall be considered as a business secret.

Article 93

All shareholders of the Bank, the members of the Supervisory Board and the Management Board, persons with special rights and responsibilities, the employees of the Bank and others who have access to the Bank's operations shall be obliged to keep the Bank secret and other secret.

The obligation to keep the Bank secret and other types of secrets shall continue even after expiration of the term and termination of the employment.

By a special act, the Management Board of the Bank may determine the manner on determination and protection of the Bank Secret and the responsibility of the persons for disclosure of the Bank Secret.

The data on the savings and all deposits in the Bank made by individuals and legal entities, as well as the data on operations of the individuals through their banking accounts and current accounts and the operations of the legal entities through their banking accounts shall be all considered a bank Secret of the Bank.

The persons with special rights and responsibilities, the shareholders and the employees of the Bank, as well as the persons who have obtained access to the documents, data and information from the previous Article through provision of services for the Bank, shall be obliged to keep them, and may use them exclusively for the purposes they are given for and may not disclose them to third persons.

The obligation from the previous paragraph shall not take effect in the cases when:

- The person issued a written consent on data disclosure;
- Disclosure of data and information is prescribed by the law.

For the persons with special rights and responsibilities, the shareholders and the employees of the Bank the obligation from paragraph 5 does not take effect in following cases:

- Written request of the public prosecutor's office or by the court competent for the legal procedures in the frames of its jurisdiction;
- For the needs of the National Bank or other supervisory body authorised by Law;
- if the data on inflows at accounts of natural persons are communicated with the Public Revenue Office, in accordance with the law;
- Written request by the Public Revenue Office on procedures in the frame of its competences;
- If the data are disclosed to the Financial Police Office in accordance with the Law;
- on a request of the State Commission for Prevention of Corruption, within the framework of the execution of its competencies, in accordance with the law;
- Written request by the State Foreign Exchange Inspectorate for control of foreign exchange operations;
- on a written request of the Customs Administration for conducting procedures within its competencies, in accordance with the law;
- Written request by the Deposit Insurance Fund, in accordance with the law;
- upon written request by the Agency for management of seized property pursuant to the law
- upon written request of a notary public in the course of inheritance proceedings, pursuant to the law;"
- if the data are reported to the Office for prevention of money laundering and financing terrorism, pursuant to the law. If the data is disclosed for the needs of functioning of the Loan Registry of the National Bank and to the credit bureau, pursuant to the law;

- if the data are disclosed for the needs for loan risk management of other members of a bank group or a bank group whose main person has a head office out of the Republic of Macedonia, whose member is the Bank;
- upon a written request by the authorised bailiffs, in accordance with the law and
- If data are provided to the Ministry of Labor and Social Policy, the Employment Agency of the Republic of North Macedonia and the Health Insurance Fund of the Republic of North Macedonia, for the needs of realization of their competences and in accordance with the provisions on personal data protection, only if the bank concludes a Memorandum on Cooperation with these institutions regulating the way of accessibility of the data of article 92.

15-a CONFLICT OF INTEREST

Article 93-a

The persons with special rights and responsibilities shall be obliged to make a semi-annual written statement on the existence or non-existence of conflicts of their personal interest and the Bank's interest. The personal interest of the persons with special rights and responsibilities shall also mean the interests of the persons closely related to them.

The persons of paragraph 1 of this article cannot attend the review and delivery of decision, conclude agreements or carry out any other activities if their impartiality is questioned due to the existence of conflict of their personal interest and Bank's interest.

A written statement shall be made on the existence of conflict of interest before the matter in question is considered, or before holding the meeting for review and delivery of decisions, conclusion of contracts or performance of any other business activity.

Article 93-b

The written statement shall include the names and the addresses of the legal entities and individuals with whom mutual interest or a conflict of interest, as well as material benefit shall exist, that is, the nature of the business or family interest existing between them, that is, the reason resulting into conflict of the personal interest and the Bank's interest.

Such written statement shall be submitted to the Bank's Supervisory Board.

16. PROCEDURE FOR DELIVERY AND AMENDMENT OF THE STATUTE AND OTHER ACTS OF THE BANK

Article 94

The relations in the Bank shall be regulated by the Statute and other general documents of the Bank.

The Statute shall be the main general document of the Bank.

Other issues of significance for the Bank that are not regulated in the Statute may be defined pursuant to the law and this Statute, by other documents of the Bank such as rulebooks, rules of procedure, rules, decision, general collective agreement and others.

Other documents of the Bank shall come into effect as of date of its adoption except if otherwise defined by the general document.

Article 95

The proposals on general documents that have to be delivered by the Bank's Assembly as provided in this Statute shall be defined by the Supervisory Board.

The Bank's Supervisory Board shall define the text of the Draft-Statute, which proposal is adopted at the Bank's Shareholders' Assembly meeting based on prior consent by the National Bank of the Republic of North Macedonia.

The amendments and supplements of the general documents delivered by the Bank's Assembly shall have to be performed following the same procedure as the one for their delivery.

The stated proposal on a decision for amendment of the Statute shall have to be explained.

If the amendments and supplements of this Statute shall contain data to be entered in the Trade Registry, than the amendments and supplements shall have to be published.

The Assembly shall authorise the Supervisory Board by a decision on amendment of the Statute to prepare an official consolidated text of the Statute, where the amendments performed upon decision on amendment of the Statute shall be included.

A copy of the official consolidated text of the Statute shall be submitted to the competent court or institution which manages the trade registry.

Due to the fact that the amendment of the Statute or any of its provisions is subject to prior consent by the National Bank of the Republic of North Macedonia, the consent shall be enclosed to the application.

Article 96

The proposal on general documents to be delivered by the Supervisory Board or other body of the Bank as stated in this Statute shall be defined by the Bank's Management Board.

The amendments and supplements of the general acts delivered by the Supervisory Board of the Bank shall be realized based on the same procedure valid for their delivery.

Article 97

The individual documents of the Bank shall have to be compliant with the Bank's Statute.

The individual documents of the Bank shall be delivered by the respective bodies of the Bank in accordance with the authorisations defined in this Statute and other documents of the Bank.

The Bank's Management Board shall deliver the individual documents of the Bank based on its legal authorisations and the authorisations defined by this Statute and the remaining documents of the Bank.

Article 97-a

The interpretation of the general documents of the Bank shall be made by the body that adopted the particular document.

17. INFORMING

Article 98

The business of the Bank shall be public.

The Bank shall keep the following documents and acts in its registered office:

1. The Statute and other acts, as well as all their amendments and supplements along with their consolidated texts;
2. Minutes and all other documents from all meetings of the shareholders;
3. Minutes and decisions from the meetings of the Management and the Supervisory Board;
4. Annual financial accounts and financial reports subject to legally prescribed archiving;
5. Annexes (documents and proofs) filed to the trade registry;
6. All public calls and prospectuses on issuance of shares and other securities of the Bank;
7. All written correspondence between the Bank and its shareholders;
8. Updated list with names, surnames and addresses of all elected members of the Supervisory and Management Board;
9. Documents on mortgage and pledge;
10. The report by the authorised auditor and the report by the authorised assessor;
11. The ballot papers and the power of attorney for participation in the Assembly's meeting in original or copy;
12. The collective agreement on Bank's level;
13. The entire documentation connected to approval of businesses with the interested party and
14. Other acts and documents stipulated by law.

The Bank's shareholders, business partners, customers and clients shall have the right to be informed on the Bank's business.

The forms and the content of the informing, as well as other issues in the field of information shall be defined based on a special act.

Article 98-a

All shareholders shall be entitled on insight in the acts and other documents, which the Bank shall be obliged to keep in its registered office pursuant to the legal provisions.
The shareholders shall exercise their right on information on the minutes and decisions of the Management Board through the Management Board members.
The shareholder requesting insight shall have to inform the Bank three days before the day of requested insight and the insight may be realised in the Bank's business premises.
The shareholder shall pay the costs for the requested copies, which may not be higher than the actual costs.
The shareholder may not publish and present the information to the public, except to the shareholders, if he/she shall exercise a right before a competent authority, which is defined by law, this Statute or another act of the Bank or if they have been already published.
In case the shareholder shall publish or shall otherwise abuse information resulting with damage to the Bank, he/she shall be held liable before the Bank for the damage caused.
The manner, form and content of the data and acts published and are of significance for the shareholders and the Bank shall be defined based on an act of the Management Board.

18. TERMINATION OF THE BANK'S OPERATION

Article 99

The Bank ceases to operate in following cases:

- When Bank's Assembly delivers a decision on cessation;
- When the National Bank of the Republic of Macedonia revokes the permit for establishment and operation of the Bank;
- At a statutory change, by which the Bank loses the status of an independent legal entity;
- Insolvency proceedings
- Liquidation proceedings.

19. TRANSITIONAL AND FINAL PROVISIONS

Article 100

The delivery of the present Statute shall cancel the validity of the Bank's Statute delivered by the Shareholders' Assembly of the Bank on the meeting held on 26.12.1997.

The matters not regulated by this Statute shall be regulated by the provisions regulating the respective field.

The Assembly shall provide authentic interpretation of the provisions in the present Statute.

Article 101

This Statute shall become legally effective after its registration in the Trade Registry.

Hedvika Usenik Blaž Brodnjak

President of the
Supervisory Board