

Item on the agenda:6
Proposer: **Supervisory Board**

Material for the Annual Shareholders Assembly of NLB Banka AD Skopje

Annual Report for the work of the Supervisory Board for 2024 with included results of individual and collective assessment of the work of the members of the Supervisory Board for 2024

The Supervisory Board proposes to the Shareholders Assembly to adopt the following:

Annual Report for the work of the Supervisory Board for 2024 with included results of individual and collective assessment of the work of the members of the Supervisory Board for 2024

In addition:

- Annual Report for the work of the Supervisory Board for 2024 with included results of individual and collective assessment of the work of the members of the Supervisory Board for 2024
- Proposal-Decision for approving of the Annual Report for the work of the Supervisory Board for 2024 with included results of individual and collective assessment of the work of the members of the Supervisory Board for 2024

Skopje, May 2025

Annual Report for the work of the Supervisory Board of NLB Banka AD Skopje for 2024

In accordance with the NBRNM's Decision on the Rules for Good Corporate Governance, the Supervisory Board submits an annual report for the operations of the Bank's Shareholders Assembly, and pursuant to Article 39 of the Statute, the Shareholders Assembly approves the Report on the operations of the Supervisory Board and approves the work of every member of the Supervisory Board, individually.

The Supervisory Board of NLB Banka is an independent management body that performs all its activities in accordance with legislation, the Bank's Statute, and the Corporate Governance Code.

The Decision on the rules for good corporate governance in a bank issued by the National Bank of the Republic of North Macedonia strictly defines the content and purpose of the Bank's Corporate Governance Code.

The Supervisory Board of NLB Banka supervises the work of the Bank's Management Board, approves the policies for performing financial activities, and supervises their implementation. The Supervisory Board is responsible for ensuring the Bank's sound performance, management, and stability, as well as timely and accurate financial reporting to the National Bank of the Republic of North Macedonia.

I. Structure of the Supervisory Board (composition of the Supervisory Board)

In 2024, the Bank's Supervisory Board was composed of six members:

- Blaž Brodnjak - President of the Supervisory Board of NLB Banka AD Skopje
- Boštjan Kovač – Deputy President of the Supervisory Board of NLB Banka AD Skopje
- Kristina Kovačič Bjelajac - Member of the Supervisory Board of NLB Banka AD Skopje
- Zoran Jovanovski – Second Deputy President of the Supervisory Board and Independent member of the Supervisory Board of NLB Banka AD Skopje
- Andreja Stražičar – Member of the Supervisory Board of NLB Banka AD Skopje
- Mateja Treven - Independent member of the Supervisory Board of NLB Banka AD Skopje until 28.05.2024
- Natasha Pukl – Independent member of the Supervisory Board of NLB Banka AD Skopje from 29.05.2024

The members of the Bank's Supervisory Board are elected by the Shareholders Assembly with a majority vote of the voting shares. According to the Law on Banks and the Statute of NLB Banka AD Skopje, at least one quarter of the Supervisory Board members must be independent members. In this regard, two of the members of the Supervisory Board of NLB Banka, which consists of six members, are independent members.

The independence of the two members of the Bank's Supervisory Board is determined in accordance with the criteria for independence outlined in the Law on Banks, i.e. the independent member is a physical entity and related person, who is:

- Not employed or not a person with special rights and responsibilities in the Bank;
- Not a shareholder with qualified holding in the Bank or does not represent a shareholder with qualified holding in the Bank;
- Does not work, i.e. in the last three years has not worked in an audit company which during that period audited the Bank's operations and
- In the last three years, had no material interest or business relationship with the Bank in an amount exceeding MKD 3.000.000,00 on average.

The Bank has been monitoring these criteria and their implementation and compliance, continuously throughout the year.

The mandate of the members of the Supervisory Board is 4 (four) years, and each year the annual Assembly assesses the work of each member individually.

Changes in the composition of the Supervisory Board in 2024

- Due to the expiry of the mandate of the independent member of the Supervisory Board, Mr. Zoran Jovanovski on 30.03.2024, the National Bank of the Republic of North Macedonia issued the Decision issuing prior consent to re-appoint Mr. Zoran Jovanovski as an Independent member of the Supervisory Board of NLB Banka AD Skopje.
The consent was issued for a period of (4) four years, starting from 31.03.2024.

- The National Bank of RNM issued a Decision issuing prior consent for Mrs. Mateja Treven as an Independent member of the Bank's Supervisory Board, for a period of 4 years, until 28.05.2024.

According to the Law on Banks and the Statute of NLB Banka AD Skopje, at least one quarter of the Supervisory Board members must be independent members. In order to fulfill this legal obligation, it was proposed to nominate Mrs. Natasha Pukl as an Independent member of the Supervisory Board of NLB Banka AD Skopje.

- On 28.05.2024, the National Bank of the Republic of North Macedonia issued the Decision issuing prior consent to appoint Mrs. Natasha Pukl as an Independent member of the Supervisory Board of NLB Banka AD Skopje.

The consent was issued for a period of (4) four years, starting from 29.05.2024.

The President of the Supervisory Board of NLB Banka AD Skopje, Mr. Blaž Brodnjak on 10.10.2024, submitted his resignation from the function President of the Supervisory Board to the Shareholders Assembly of NLB Banka AD Skopje.

Pursuant to Article 364 of the Law on Trade Companies, after the submitted resignation, no decision has been made on its acceptance. It is considered that the mandate of the Supervisory Board member has expired as of the day of submitting the resignation.

In his resignation, Mr. Blaž Brodnjak stated that he will continue to perform the function of President of the Supervisory Board until obtaining consent from the Governor of the National Bank of the Republic of North Macedonia for the member of the Supervisory Board who will be appointed as his replacement.

- In order to complement the composition of the members of the Supervisory Board of NLB Banka AD Skopje, NLB dd Ljubljana submitted a proposal for the appointment of Mrs. Hedvika Usenik as a new member of the Supervisory Board of NLB Banka AD Skopje for the remainder of Mr. Blaž Brodnjak's mandate, that is, until 30.08.2025. The Supervisory Board, during the session held on 24.10.2024 adopted a Decision in which the Supervisory Board proposes to the Shareholders Assembly of NLB Banka AD Skopje to appoint Mrs. Hedvika Usenik as a Member of the Supervisory Board of NLB Banka AD Skopje.

The Shareholders Assembly of NLB Banka AD Skopje, during the session held on 29.11.2024, adopted a Decision for the appointment of Mrs. Hedvika Usenik as a member of the Supervisory Board of NLB Banka AD Skopje, and the procedure for obtaining the consent by the National Bank of Republic of North Macedonia to her appointment is still ongoing.

This Decision shall enter into force upon obtaining consent from the Governor of the National Bank of the Republic of North Macedonia for the appointment of Mrs. Hedvika Usenik as a member of the Supervisory Board.

II. Supervisory Board sessions and the regular attendance of each member at the sessions of the Supervisory Board

During 2024, the Supervisory Board held 18 sessions in the Bank's business premises or by using audio and visual communication equipment and via the digital channel Microsoft Teams (7 of them were extraordinary sessions) and 6 sessions were held via correspondence.

At its sessions, the Supervisory Board decided in accordance with the Statute and the Rules of Procedure, and decisions were made by majority vote.

All members were continuously involved in the work of the Supervisory Board, and all members contributed to the successful work of the Supervisory Board with their attendance at all sessions.

During 2024, the Supervisory Board held the following sessions:

- 123rd (extraordinary) session held on 15.01.2024, in the presence of all members of the Supervisory Board.
- 124th (videoconference) session held on 25.01.2024, in the presence of all members of the Supervisory Board.
- 125th (correspondent) session which was sent to the President and the members of the Supervisory Board on 30.01.2024, and closed by giving consent regarding the materials and decisions by the President and all members of the Supervisory Board on 30.01.2024. For 2 items on the agenda, Mr. Zoran Jovanovski was excluded from voting due to a conflict of interests.
- 126th (extraordinary) session held on 23.02.2024 in the presence of all members of the Supervisory Board.
- 127th (videoconference) session held on 28.03.2024, in the presence of all members of the Supervisory Board.
- 128th (correspondent) session which was sent to the President and the members of the Supervisory Board on 23.04.2024, and closed by giving consent regarding the materials and decisions by the President and all members of the Supervisory Board on 25.04.2024.
- 129th (correspondent) session which was sent to the President and the members of the Supervisory Board on 03.05.2024, and closed by giving consent regarding the materials and decisions by the President and all members of the Supervisory Board on 09.05.2024.
- 130th (videoconference) session held on 16.05.2024, where Mr. Blaž Brodnjak and Mrs. Andreja Stražičar were absent from the session.
- 131st (extraordinary) session held on 10.06.2024 in the presence of all members of the Supervisory Board.
- 132nd (extraordinary) session held on 26.06.2024 where Mrs. Kristina Kovačič Bjelajac was absent.
- 133rd (videoconference) session held on 25.07.2024 where Mr. Zoran Jovanovski was absent.
- 134th (extraordinary) session held on 02.09.2024 where Mrs. Natasha Pukl was absent.
- 135th (correspondent) session which was sent to the President and the members of the Supervisory Board on 27.09.2024, and closed by giving consent regarding the materials and decisions by the President and all members of the Supervisory Board on 30.09.2024.
- 136th (videoconference) session held on 24.10.2024, in the presence of all members of the Supervisory Board.
- 137th (correspondent) session which was sent to the President and the members of the Supervisory Board on 11.11.2024, and closed by giving consent regarding the materials and decisions by the President and all members of the Supervisory Board on 14.11.2024.
- 138th (correspondent) session which was sent to the President and the members of the Supervisory Board on 22.11.2024, and closed by giving consent by the President and all members of the Supervisory Board on 26.11.2024, for the material and decision under Item 2, while Item 1 of the agenda was not a subject of adoption during the correspondent session due to the need for additional explanation.

- 139th (extraordinary) session held on 27.11.2024 where Mrs. Kristina Kovačič Bjelajac was absent.
- 140th (extraordinary) session held on 19.12.2024 in the presence of all members of the Supervisory Board.

III. Manner of realizing competencies (operations of the Supervisory Board)

In 2024, the Supervisory Board performed its activities aimed at ensuring good performance, management, and stability of the Bank responsibly and in a timely manner, with accurate financial reporting to the National Bank of the Republic of North Macedonia and the Macedonian Stock Exchange per the adopted Calendar of events. The Supervisory Board, in particular, directed its activities and operations towards continuing the Bank's profitable operations and maintaining the Bank's leading position in the Banking Sector in the Republic of North Macedonia.

For the purpose of regular reporting on the Bank's operations, for each Supervisory Board session an agenda and Minutes from the previous session were prepared.

In order to ensure sound financial operations, the Supervisory Board reviewed adequate financial data and analysis (both through the Reports on the operations of NLB Banka AD Skopje and through the Report of the Risk Management Committee, which were reviewed at each board session) and which included comparative financial statements and appropriate financial indicators, i.e. constantly checking whether the Management Board fulfilled the set objectives, whether the changes in the environment made the plan unrealistic for realization, whether the revenues are a result of the implementation of the planned strategies, whether the revenue is increasing, whether the Bank has sufficient capital, etc. The Supervisory Board constantly monitored the adequacy of the Bank's capital through the information provided by the Management Board.

In accordance with the Corporate governance guidelines of the NLB Group, the recommendation from the supervision by the NBRNM, and the Law on Banks of the Republic of North Macedonia, the Supervisory Board once quarterly reviewed the:

- Report on the operation of the Audit Committee;
- Report on the operation of the Internal Audit Division;
- Report by the Compliance and Integrity Center
- Report on related party transactions with the Bank;
- Standardized report on risk management;
- Foreclosed assets report, activities taken for their sale, and status of the sale plans implementation;
- Report on early withdrawal of deposits etc.

Pursuant to Article 89 of the Law on Banks of the Republic of North Macedonia, the Supervisory Board reviewed and approved decisions on the exposure of an individual of over 20% of the Bank's own funds, as well as decisions on approval of transactions of related parties with the Bank in the amount of more than MKD 6.000.000. The Supervisory Board also reviewed the reports on the controls carried out in the Bank by the relevant institutions, while in line with the recommendations of the NBRNM, the Supervisory Board also reviewed the Report on client satisfaction with the bank's operations on a semi-annual basis.

In addition, the Supervisory Board reviewed the Information and Minutes from the controls performed by the regulatory bodies as follows:

- Information on inspections conducted in NLB Banka AD Skopje by the Directorate for Protection and Rescue and the State Labor Inspectorate;
- Information on inspections conducted in the segment of labor issues within the Sales Network Division of NLB Banka AD Skopje (Branch Kochani, Branch Gevgelija, Branch Ohrid, and Branch Probishtip);

- Information on the Minutes from the Central Securities Depository for the performed regular off-site control over the operations of the Securities Services Department;
- Minutes from the conducted off-site control by the Insurance Supervision Agency of RNM
- Information on the Report on the on-site control conducted by the NBRNM, the Department for Consumer Protection, and the Financial Education Department (PT No. 24-1306/3 dated 13.05.2024);
- Information on the Report on the on-site control conducted by the Banknotes Department of the NBRNM (11-13422/4 dated 14.05.2024);
- Information on the inspection in the segment of labor issues within the Sales Network Division of NLB Banka AD Skopje (Branch Ohrid, Strumica, Kriva Palanka, Kochani, and Kavadarci);
- Information on the inspections conducted in NLB Banka AD Skopje by the Inspection supervision of the State Labor Inspectorate in connection with the implementation of the Occupational Safety and Health Law and the Protection Against Smoking Law by the Environmental Inspection Department of the City of Skopje;
- Information on the Report of the partial on-site supervision carried out by the Office for Supervision of Information Systems of the NBRNM;
- Information on the Report from the off-site surveillance with a determined violation from the Directorate for Consumer Protection and Financial Education of the NBRNM – Vesna Kitanova;
- Information on the Minutes of the control carried out by the Macedonian Stock Exchange AD Skopje;
- Information on the Minutes of the control carried out by the Central Securities Depository AD Skopje;
- Information on the realized inspection in the segment of labor issues within the Sales Network Division of NLB Banka AD Skopje (Branch Resen);

At the sessions of the Supervisory Board the changes in the legislation and the NBRNM's Decisions were discussed, whereupon according to the obligations arising from the Law on Banks, the Decision for Risk Management by the NBRNM (Official Gazette of the Republic of Macedonia No. 42/2011 and its amendments) for annual review of the Bank's risk management policies, the Law on Prevention of Money Laundering and Financing of Terrorism (Official Gazette of the Republic of Macedonia, no.130/2014 and its amendments) and the NBRM's Decision on Rules for Good Corporate Governance (Official Gazette No. 24/18 and its amendments), the Supervisory Board reviewed, amended or adopted the following acts:

- Internal Capital Adequacy Assessment Methodology of NLB Banka AD Skopje (version 7.0 regular annual review)
- Standard for Risk Culture of NLB Banka AD Skopje (version 4.0, regular annual review)
- Methodology for Risk Profile Assessment of NLB Banka AD Skopje (version 6.0, regular annual review)
- Credit risk management Policy on NLB Banka Skopje (version 17.1 amendment according to the Decision from NBRNM) - Sanja Churilov
- Liquidity Risk Management Policy of NLB Banka AD Skopje (version 8.0, regular annual review) - Sanja Churilov
- Counterparty risk management Policy of NLB Banka AD Skopje (version 3.0, regular annual review) - Sanja Churilov
- Currency Risk Management Policy of NLB Banka AD Skopje (version 6.0, regular annual review) - Sanja Churilov
- Policy Cross border Transactions in NLB d.d. and NLB Group (version 4 regular annual review) – Ana Narashanova
- Policy for connected persons/entities and exposure limits of NLB Banka AD Skopje (version 4 regular annual review) – Ana Narashanova
- Lending policy for Specific Clients' Segments in NLB Banka AD Skopje (version 7 alignment with NLB d.d) – Ana Narashanova

- Carbon footprint measurement and reporting Policy of NLB Banka AD Skopje (version 1.2 regular annual review) – Bogoja Kitanchev
- Policy Environmental and Social Transaction Policy Framework in NLB Banka AD Skopje (version 7.0 alignment with NLB d.d) – Bogoja Kitanchev
- Policy of outsourcing in NLB Banka AD Skopje, (version 3.0 alignment with NLB d.d)
- Strategy for dealing with financial instruments of NLB Banka AD Skopje (version 9 regular annual review)
- Capital Management Policy of NLB Banka AD Skopje, (version 11.0 alignment with NLB d.d)
- Corporate governance code of NLB Banka AD Skopje (alignment with the Statute of the Bank version 8.0);
- Legal Risk management Policy (request from external auditor KPMG, version 11.0);
- Integrity and Compliance Policy of NLB Banka AD Skopje (request from NLB d.d for alignment, version 3.0)
- Policy for the Assessment of Suitability of Key Function Holders in NLB Banka AD Skopje (request from NLB d.d for alignment, version 3.0)
- Capital and Capital Adequacy Management **Policy** of NLB Banka AD Skopje (request from NLB d.d for alignment, version 12.0);
- Tax Policy of NLB Banka AD Skopje - (request from NLB d.d for alignment, version 3.0); -
- Policy of internal controls system- (request from NLB d.d for alignment, version 2.0); -
- Policy Cross border Transactions in NLB d.d. and NLB Group (request from NLB d.d for alignment, version 5.0);
- Credit Risk Management Policy in NLB Banka AD Skopje (due to change in local regulative, version 18.0);
- Policy for Granting Loans to Retail Segments in NLB Banka AD Skopje (request from NLB d.d for alignment, version 3.0);
- Lending Policy for Non-Financial Companies in NLB Banka AD Skopje (request from NLB d.d for alignment, version 14.0);
- Fx Dealing Policy of NLB Banka AD Skopje (annual review, version 16.0);
- Policy for trading in financial derivatives (annual review, version 16.0);
- Risk Appetite of NLB Banka AD Skopje (annual review, version 8.0); -
- Risk Management Strategy of NLB Banka AD Skopje (annual review, version 7.0);
- Liquidity risk management Policy of NLB Banka AD Skopje (annual review, version 9.0);
- Interest Rate Risk Management Policy of NLB Banka AD Skopje (annual review, version 20.0); -
- Operational Risk management Policy of NLB Banka A.D. Skopje (annual review, version 7.0);
- The Internal Capital Adequacy Assessment Process ICAAP 2024 Manual (annual review, version 5.0);
- Report on internal liquidity adequacy assessment process (ILAAP) (annual review, version 5.0);
- Business Continuity Management Policy in NLB Banka AD Skopje (request from NLB d.d for alignment, version 2.0);
- Policy for early collection and workout management in NLB Banka AD Skopje (request from NLB d.d for alignment, version 1.0);
- Complaints Management Policy of NLB Banka AD Skopje- (request from NBRNM, internal audit, version 1.0)
- Consolidated text of the Statute of NLB Banka Skopje
- Integrity and compliance Policy of NLB Banka Skopje, version 4.0 (requested by NLB d.d)
- Sustainability Policy in NLB Banka Skopje, version 1.0 (requested by NLB d.d)
- Environmental and Social Transaction Policy Framework in NLB Banka Skopje, version 8.0 (requested by NLB d.d)
- Lending policy for Specific Clients' Segments in NLB Banka Skopje, version 8.0 (requested by NLB d.d)-

- Financial Markets Segments Limit Policy in NLB Banka Skopje, version 1.0 (requested by NLB d.d)
- Lending policy for non-financial companies in NLB Banka Skopje version 15.0 (requested by NLB d.d)
- Credit Risk Management Policy in NLB Banka Skopje, version 19.0 (alignment with local regulative)
- Policy Cross border Transactions in NLB d.d. and NLB Group, version 6.0- 0 (requested by NLB d.d)
- Policy for individual and collective Impairments and Provisions in NLB Banka Skopje version 7.0 (annual review)
- Proposal- Decision for abolishment of the Policy for operations with banking book securities in NLB Banka AD Skopje
Proposal- Decision for abolishment of the Strategy for Assets and Liabilities Management of NLB Banka AD Skopje
- Corporate Governance Code of NLB Banka AD Skopje (version 9.0, alignment with the amendments and supplements of the Statute)
- Recovery Plan of NLB Banka AD Skopje 2024 (regular annual review)
- Strategic risk management Policy of NLB Banka AD Skopje- (version 6.0, regular annual review)
- Reputational risk management Policy of NLB Banka AD Skopje- (version 6.0, regular annual review)
- Collateral Policy of NLB Banka AD Skopje- (version 11.0, regular annual review)
- Information System Security Policy of NLB Banka Skopje (version 13.0, alignment with regulative)
- Policy on the implementation of restrictive measures (financial sanctions and embargo) (version 3.0, alignment with NLB d.d)
- Other assurance and Non-assurance services pre-approval Policy for NLB Banka AD Skopje -(version 1.0, at the request from NLB d.d)
- Real Estate Management Policy of NLB Bank AD Skopje- (version 5.0, at the request from NLB d.d)
- Proposal-Decision for acceptance of NLB Group Real Estate Strategy- (version 1.0, at the request from NLB d.d)
- Remuneration Policy for employees of NLB Banka AD Skopje (alignment with NLB d.d, version 3.0)
- Artificial Intelligence Use Policy of NLB Skopje AD Skopje (alignment with NLB d.d, version 1.0)

At a session held on 28.03.2024, the Supervisory Board also adopted a Decision to abolish the IT Steering Committee as a body of the Bank, based on a decision by the NBRNM regarding the Methodology for Security of the Bank's Information System, which covers the key IT areas previously regulated by the Circular on Information Security of the Information System from 2005, which does not require the existence of the IT Steering Committee as a body of the Bank.

In accordance with Article 89 of the Law on Banks of the Republic of North Macedonia and pursuant to Article 56 of the Statute of the NLB Banka, the Supervisory Board, on an annual level, reviewed and accepted:

- Annual Report on the operations of the Supervisory Board for 2023, including performance evaluations;
- Annual Report on the operations of the Audit Committee for 2023, including performance evaluations;
- Annual Report on the operations of the Risk Management Committee for 2023, including performance evaluations;
- Annual Report on the operations of the Internal Audit Division for 2023;
- Annual Report on the operations of the Credit Committee of NLB Banka AD Skopje for 2023;
- Annual Report on the operations of the Management Board for 2023, etc.

At the Annual Assembly of the Bank held on 29.05.2024, the Supervisory Board gave written opinions on the Annual Report on the Bank's operations and on the Report from the audit company KPMG AUDIT-DOO Skopje on auditing the financial statements of NLB Banka AD Skopje for 2023, prepared in accordance with local regulations and International Financial Reporting Standards.

The Supervisory Board approved and proposed the following materials for adoption at the Annual Assembly held on 29.05.2024:

- Annual report on the operations of NLB Banka AD Skopje for 2023;
- Annual report on the operations of the Supervisory Board of NLB Banka AD Skopje for 2023 including performance evaluations;
- Annual report on the operations of the Management Board of NLB Banka AD Skopje for 2023;
- Proposal-decision for the adoption of the annual accounts of NLB Banka AD Skopje for 2023;
- Proposal-decision for the utilization and distribution of the profit from the Annual account and financial reports of NLB Banka AD Skopje for 2023;
- Proposal-decision for determining the dividend amount and determining the dividend calendar of NLB Banka AD Skopje for 2023;
- Proposal-decision for appointment of a Company for auditing the financial statements of NLB Banka AD Skopje for 2023;
- Proposal-decision for amendments and supplements to the Statute of NLB Banka AD Skopje;
- Draft-Financial Report with Draft-Report by the audit company KPMG AUDIT DOO Skopje, for audited financial statements of NLB Banka AD Skopje for 2023, prepared in accordance with local regulations and International Financial Reporting Standards for 2023, with an opinion on the report by the audit company;
- Proposal-decision for determining the payment for performing the function of members of Supervisory Bodies in NLB Banka AD Skopje;

During 2024, the Supervisory Board adopted a Decision to appoint new members of the Management Board.

Namely, on 07 June 2024 a resignation from the President of the Management Board of NLB Banka AD Skopje, Mr. Branko Greganovikj was submitted to the Supervisory Board of NLB Banka AD Skopje. In the resignation, it stated that Mr. Branko Greganovikj will continue to perform the function of President of the Management Board until obtaining consent from the Governor of the National Bank of the Republic of North Macedonia for the President of the Management Board who will be appointed as his replacement.

At the session held on 10.06.2024, the Supervisory Board adopted a Decision for the appointment of Mr. Toni Stojanovski as President of the Management Board of NLB Banka AD Skopje. The Decision shall enter into force on the day of receiving consent from NBRNM for appointing a President of the Management Board.

Namely, on 03.09.2024, the National Bank of the Republic of North Macedonia issued the Decision for issuing prior consent to appoint Mr. Toni Stojanovski as a member of the Management Board of NLB Banka AD Skopje. The consent was issued for a 2 (two) year period, from the day of receiving the Decision, 03.09.2024.

At its session held on 02.09.2024, the Supervisory Board adopted a Decision to appoint Mrs. Katerina Jankovikj as a member of the Management Board of NLB Banka AD Skopje.

With the adopted Decision the composition of the Management Board, increased from three to four members.

On 29.01.2025, the National Bank of the Republic of North Macedonia issued the Decision for issuing prior consent to appoint Mrs.Katerina Jankovikj as a member of the Management Board of NLB Banka

AD Skopje. The consent was issued for a 1 (one) year period, from the day of receiving the Decision, 29.01.2025.

IV. Operations of the Remuneration Committee and Nomination Committee

During 2024, the Remuneration and Nomination Committee continuously helped the Supervisory Board in the implementation of part of its competencies related to the establishment and implementation of the Remuneration Policy and the Policy on the Method of Selection, Monitoring of Operations, and Dismissal of Members of the Supervisory Board, the Risk Management Committee, the Audit Committee, and the Management Board by adopting a proposal-decision for rewarding the members of the Management Board, the other Persons with special rights and responsibilities and the Bank's employees, based on an analysis of the Bank's operations and achievements and determining the amount of funds for that purpose.

The Remuneration and Nomination Committee continuously helped the Supervisory Board through the adoption of proposal-decisions for appointing members of the Supervisory Board, Management Board, Audit Committee and Risk Management Committee, as well as the persons who perform control functions.

In accordance with the Remuneration policy of the Bank, the Remuneration Committee proposed to the Supervisory Board to adopt the KPIs for the Management Board as well as each manager responsible for a control function in the Bank.

According to the Policy on the Method of Selection, Monitoring of Operation, and Dismissal of Members of the Supervisory Board, the Risk Management Committee, the Audit Committee, and the Management Board, the Nomination Committee reviewed and proposed to the Supervisory Board adoption of the individual assessment and collective assessment of suitability before each appointment of a new member and before re-appointment of an existing member of the Management Board and Supervisory Board.

With the Supervisory Board decision adopted on 26.10.2023, Mr. Zoran Jovanovski was re-appointed as a member of the Nomination and Remuneration Committee. The decision entered into force, after obtaining consent from the National Bank of the Republic of North Macedonia for the re-appointment of Mr. Zoran Jovanovski as an independent member of the Supervisory Board.

On 11.03.2024, the National Bank of the Republic of North Macedonia issued the Decision issuing prior consent for Mr. Zoran Jovanovski for his re-appointment as an independent member of the Supervisory Board of NLB Banka AD Skopje.

In accordance with the Decision on the Rules on Good Corporate Governance in Banks and the Policy for the Assessment of Suitability of Key Function Holders in NLB Banka AD Skopje, the Nomination Committee shall, at least annually, review the composition of the Supervisory Board and its committees regarding the knowledge, qualifications, skills, and experience that the members individually and collectively shall possess for the successful exercise of their functions (known as the 'board profile').

V. Cooperation between the Supervisory Board and the Management Board

During 2024, the Supervisory Board and the Management Board continuously cooperated on certain issues during their operations, in particular on:

- Defining the Bank's business objectives;
- Strategies for risk-taking and management;
- Risk profile of the Bank ;
- Policies on achieving business objectives and objectives concerning the Bank's risk profile;

The Management Board regularly informed the Supervisory Board of any activities and changes in its operations that are significant to the Supervisory Board's competencies:

- Changes in risk management;
- Changes in the Bank's solvency and liquidity position and its financial position;
- Exceeding the exposure limits and non-compliance with regulations;
- Weaknesses in the internal control system and the manner of operating control functions;
- Cases which may cause non-observance or non-compliance with legal or regulatory requirements.

During 2024, the Supervisory Board, along with the Management Board, determined the acceptable level of risk, taking into account market competition, regulatory requirements, the Bank's long-term objectives, risk exposure, and risk-taking capacity, which includes compliance with an acceptable level of risk with business policy, financial plan, the process of determining internal capital, and the remuneration system.

During 2024, the Supervisory Board together with the Management Board established and promoted the corporate culture and values of the Bank.

VI. Cooperation between the Supervisory Board and the Legally prescribed committees (Audit Committee and Risk Committee)

During 2024, the Supervisory Board had continuous cooperation with both the Audit Committee and the Risk Committee, particularly in terms of:

- The Bank's operations, products, and services;
- Assessment of the risks to which the Bank is exposed;
- Determining risk management strategies;
- Internal control systems and risk management;
- Accounting and Auditing.

The Risk Management Committee and the Audit Committee regularly report to the Supervisory Board regarding their operations, on a quarterly basis.

VII. Conflict of interest and measures taken

During 2024 there was a reported conflict of interest by the members of the Supervisory Board. In accordance with the Policy on Conflict of Interest of NLB Banka AD Skopje, due to a conflict of interest, the Supervisory Board member, Mr. Zoran Jovanovski was excluded from the discussion and voting for the Decisions for his reappointment as an independent member of the Supervisory Board of NLB Banka Skopje. Mrs. Mateja Treven was excluded from the discussion and voting for the Decision for her termination of the mandate as an independent member on the SB, and Mr. Boštjan Kovač was excluded from the discussion and voting for the Decision for NLB Lease & Go, since he is performing the function of Procurator of NLB d.d, member of the Supervisory Board of NLB Banka Skopje, and member of the Supervisory Board of NLB Lease&Go, Ljubljana.

VIII. Annual self-assessment of the Supervisory Board

The Supervisory Board annually performs a self-assessment of their effectiveness. The assessment comprises of their composition, potential individual conflicts of interest, the functioning of individual members and the entire Supervisory Board, as well as their cooperation with the Management Board.

The purpose of the self-assessment is to improve the efficiency and expertise of the Supervisory Board in performing the supervision of the Bank in accordance with the legal regulations and requirements and to identify areas requiring improvements.

Following the regular annual self-assessment for 2024, the work of individual members and the work of the Supervisory Board was fully assessed as effective, as it responded to each challenge promptly and constructively and successfully supervised the Bank's operations.

IX. Results of the individual and collective assessments of the suitability of the Supervisory Board members

According to the NBRNM's Decision on Rules for Good Corporate Governance, the annual assessment includes an individual and collective assessment of the adequacy of the Supervisory Board members, as well as an assessment of their own performance by each member of the Supervisory Board.

Based on the realized adequacy assessment, a positive assessment of the suitability of the Supervisory Board members for 2024 was ascertained.

According to the opinion of the Supervisory Board, the Bank had a successful year of operations, which is reflected in the success of the Bank's operations presented in the Bank's Annual Report for 2024.

0203-152; 20.03.2025

Material for the 145th Session of the
Supervisory Board of NLB Banka AD Skopje

Point No.: 2025 – 145 VS T7.2.

Date of the Session: 20.03.2025

Proposer: Nomination Committee

Proposal - Decision for positive annual assessment of the suitability of the Members of the Supervisory Board of NLB Banka AD Skopje for 2024

According to Decision on good bank governance rules issued by the National Bank of Republic of North Macedonia, dated February 6, 2018, the Supervisory board of NLB Banka AD Skopje on date 20.03.2025 adopted

Decision for positive annual assessment of the suitability of the Members of the Supervisory Board of NLB Banka AD Skopje for 2024

1. It is approved positive annual assessment of the suitability of the Members of the Supervisory Board of NLB Banka AD Skopje for 2024, with the following composition:
 - Blaž Brodnjak, President of the Supervisory Board
 - Boštjan Kovač, Deputy President of the Supervisory Board
 - Zoran Jovanovski, Second Deputy President of the Supervisory Board and Independent member of the Supervisory Board
 - Kristina Kovačič Bjelajac, Member of the Supervisory Board
 - Andreja Stražičar, Member of the Supervisory Board.
 - Mateja Treven, Independent member of the Supervisory Board till 28.05.2024
 - Natasha Pukl, Independent member of the Supervisory Board from 29.05.2024
2. The positive annual assessment of the suitability of the Members of the Supervisory Board of NLB Banka AD Skopje for 2024 is consisted of the following assessments as its integral part, given as appendixes to this Decision:
 - Individual assessment of the suitability of each member of Supervisory Board (Appendix 1a)
 - Collective assessment of the suitability of Supervisory Board (Appendix 1b)
 - Self-assessment of the individual work for 2024 by each member of the Supervisory Board (Appendix 1v)
 - Assessment of the size and structure of the Supervisory Board, as well as the size and structure of the legally prescribed committees and their cooperation (Appendix 1g)
 - Assessment of the efficiency of the supervision conducted by the Supervisory Board as part of the corporate governance in the bank and identification of the activities that require advancement or changes (Appendix 1g)
 - Assessment of the efficiency of the legally prescribed committees (Appendix 1g).
3. The Decision comes into force on the date of approval.

In Skopje, 20.03.2025

The Decision is to be sent to:
Legal and Secretariat Division
Human Resources Division

Hedvika Usenik
President of the
Supervisory Board

Material for the 145th Session of the
Supervisory Board of NLB Banka AD Skopje

Point No.: 2025 – 145 VS T7.2.

Date of the Session: 20.03.2025

Proposer: Nomination Committee

Executive summary for Proposal - Decision for positive annual assessment of the suitability of the Members of the Supervisory Board of NLB Banka AD Skopje for 2024

In accordance with the Decision on good the rules Decision on good bank governance rules from 06.02.2018 by the National Bank of the Republic of North Macedonia, the Supervisory Board annually conducts an assessment of the suitability of the Members of the Supervisory Board for 2024, comprised of:

- Individual assessment of the suitability of each member of Supervisory Board
- Collective assessment of the suitability of Supervisory Board
- Self-assessment of the individual work for 2024 by each member of the Supervisory Board
- Assessment of the size and structure of the Supervisory Board, as well as the size and structure of the legally prescribed committees and their cooperation
- Assessment of the efficiency of the supervision conducted by the Supervisory Board as part of the corporate governance in the bank and identification of the activities that require advancement or changes
- Assessment of the efficiency of the legally prescribed committees.

Accordingly, on the basis of realized annual assessment of the Members of Supervisory Board of NLB Banka AD Skopje, the Nomination Committee proposes to the Supervisory Board to confirm the positive annual assessment of the suitability of the Members of the Supervisory Board of NLB Banka AD Skopje for 2024.

The stated assessments that are integral part of the Annual Assessment of the suitability of the Supervisory Board for 2024 are given as appendixes to the Decision.

Skopje, 20.03.2025

Appendix 1a

Individual assessment of the suitability of Mr. Blaž Brodnjak, President of the Supervisory Board of NLB Banka AD Skopje for 2024
1. Verification of the integrity of information and compliance of data with documentation

Criterion	Documents	Suitability
Knowledge, skills and experience	<ul style="list-style-type: none"> – Curriculum Vitae – Documentation submitted by the candidate – Documentation available to the Bank – Comparison of data 	yes
Reputation, integrity and honesty	<ul style="list-style-type: none"> – Extracts from criminal, penalty and misdemeanour proceedings – Orderly economic position – Information in the media 	yes
Conflicts of interest and independence	<ul style="list-style-type: none"> – Personal, professional or economic links with the Bank – Documentation submitted by the candidate 	yes
Time commitment	<ul style="list-style-type: none"> – Documentation submitted by the candidate 	yes

2. Overall assessment:

Based on the documents and information mentioned above, an assessment of the suitability of Mr. Blaž Brodnjak for performing the function of President of the Supervisory Board of NLB Banka AD Skopje was carried out, by which Mr. Blaž Brodnjak is assessed as suitable and it is determined that he fulfils the separate criteria for the position of President of the Supervisory Board, as following: the criteria for knowledge, skills and experience; reputation, integrity and honesty; conflict of interest and independence and time commitment.

Following a thorough review of the relevant documentation and information, Mr. Blaž Brodnjak is hereby assessed as:

- **suitable**
- unsuitable

Explanation of the assessment:

The suitability of Mr. Blaž Brodnjak, President of the Supervisory Board of NLB Banka AD Skopje for 2024 is confirmed by the following:

Mr. Blaž Brodnjak is distinguished by long-term exceptionally successful professional managerial experience in the banking and insurance sector, especially as holder of the highest supervisory and executive managerial functions.

He stands out with a reputation that is due to the successful performance of the function of President of the Management Board of NLB d.d., as President of the NLB Group for a period of 9 years and Member of the Management Board of the NLB Group for almost 4 years, with the responsibility of Chief Executive Officer - CEO and Chief Marketing Officer - CMO, as well as the long-term performance of supervisory functions in several NLB Group's members, and the banking and insurance sector in the region.

He has been successfully performing the function of the President of the Supervisory Board of NLB Banka AD Skopje since 2017, with continuous commitment and efficiency in the operation and implementation of the supervision of the Board and its competences.

According to the submitted statement on the existence of new circumstances from the last submitted

Questionnaire, since September of 2024, Mr. Blaž Brodnjak is member of Supervisory Board of Summit Leasing Slovenia and since november 2024 he holds the position of President of the Supervisory Board of Summit Leasing Slovenia d.o.o. within the NLB Group.

With his professional experience and acquired in-depth knowledge and expertise in the field of banking and finance, corporate governance and the role and function of the bodies of management and supervision, especially specifics of the corporate governance of NLB Banka AD Skopje, its financial situation and risk profile, a suitability of Mr. Blaž Brodnjak is validated for performing of the function of the President of the Management Board of NLB Banka AD Skopje.

In the operation of NLB Banka AD Skopje, he has been actively participating in the Remuneration Committee for many years, as Chairman of the Board, as well as a Member of the Nomination Committee.

In his previous and current professional engagement, Mr. Brodnjak is distinguished by the current multi-year position of the Chairman of the Supervisory Board of the Bank Association of Slovenia, as well as the and Membership in the European Banking Federation (EBF) as a Member of the Board of the Federation from the Republic of Slovenia, as well as President of the Board of Governors of the American Chamber of Commerce - Slovenia (AmCham Slovenia) till September 2024.

The appropriate acquired professional experience, education, expertise and competencies gained through professional engagement on various managerial and supervisory functions in the banking and insurance segment, as well as the acquired knowledge and expertise through permanent professional development and training in the field of finance and banking operations, strategic management and management and other relevant topics related to banking and corporate governance management, as: sustainability and ESG factors, cyber security and its challenges, data protection, prevention of money laundering, as well as other respective items related to the regulation and specific of the banking operation and digital transformation in operation, confirm his suitability for professional experience and knowledge of the position of President of the Supervisory Board.

It is also appreciated that Mr. Blaž Brodnjak, in 2024, devoted sufficient time to his additional continuous professional development, with Cyber security and its challenges and digital transformation in operation being highlighted as topics.

It is determined that for Mr. Blaž Brodnjak, President of the Supervisory Board of NLB Banka AD Skopje in 2024 no circumstances were identified for the occurrence of conflict of interest that would limit his ability to perform the function of President of the Supervisory Board.

Mr. Brodnjak previously disclosed circumstances that he is the owner of a share in the amount of 1/3 of the ownership structure of the company Domačija Familija d.o.o Slovenija, in which the other owners are persons related to him, i.e. his wife (share of 1/ 3) and brother (1/3 share).

As the President of the Supervisory Board, Mr. Blaž Brodnjak made a suitable contribution to the overall work of the Supervisory Board, especially in carrying out the strategic and supervisory function of the Board, by successfully managing the sessions, encouraging open and constructive discussion at the sessions, achieving an independent and objective assessment of the solutions and decisions proposed by the other members of the Board, independently analysed the decisions of the Management Board and avoided concurring the collective attitudes and opinions. Mr. Blaž Brodnjak as the President of the Supervisory Board of NLB Banka AD Skopje contributed with his actions to the consistent implementation and practice of the basic principles of corporate governance, as well as compliance of the legal regulations and regulations prescribed by the National Bank of the Republic of North Macedonia.


Based on the conducted sessions of the Supervisory Board of the Bank in 2024, the leadership and participation in sessions, the expressed initiative and proactivity in the work of the Supervisory Board, it is assessed that Mr. Brodnjak has devoted sufficient and appropriate attention and dedication to the function and performance of the obligations as President of the Supervisory Board, as well as to the duties in other bodies in the Bank, as President of the Remuneration Committee and Member of the Nomination Committee.

Based on the documents and information mentioned above, an assessment of the suitability of Mr Blaž Brodnjak as the President of the Supervisory Board was carried out, with which he is assessed as suitable and it is determined that he fulfils the separate criteria for a President of the Supervisory Board, as well as for performing of the duties of other bodies of the Bank, as the President of the Remuneration Committee and Member of the Nomination Committee as following: the criteria for knowledge, skills and experience; reputation, integrity and honesty; conflict of interest and independence and time commitment.

Date: 10.03.2025

Signatures of the authorized persons:



Dejan Madzosi
Manager
Human Resources Division

Mateja Papež
Manager
Compliance and Integrity Center

Appendix 1a

Individual assessment of the suitability of Mr. Boštjan Kovač as a member of the Supervisory Board of NLB Banka AD Skopje Supervisory Board for 2024
1. Verification of the integrity of information and compliance of data with documentation

Criterion	Documents	Suitability
Knowledge, skills and experience	<ul style="list-style-type: none"> – Curriculum Vitae – Documentation submitted by the candidate – Documentation available to the Bank – Comparison of data 	yes
Reputation, integrity and honesty	<ul style="list-style-type: none"> – Extracts from criminal, penalty and misdemeanor proceedings – Orderly economic position – Information in the media 	yes
Conflicts of interest and independence	<ul style="list-style-type: none"> – Personal, professional or economic links with the Bank – Documentation submitted by the candidate 	yes
Time commitment	<ul style="list-style-type: none"> – Documentation submitted by the candidate 	yes

2. Overall assessment:

Based on the documents and information mentioned above, an assessment of the suitability of Mr. Boštjan Kovač for performing the function of Member of the Supervisory Board of NLB Banka AD Skopje was carried out, by which Mr. Boštjan Kovač is assessed as suitable and it is determined that he fulfils the separate criteria for the position of Member of the Supervisory Board, as following: the criteria for knowledge, skills and experience; reputation, integrity and honesty; conflict of interest and independence and time commitment.

Following a thorough review of the relevant documentation and information, the person is hereby assessed as:

- **suitable**
- unsuitable.

Explanation of the assessment:

The suitability of Mr. Boštjan Kovač, the Member of the Supervisory Board of NLB Banka AD Skopje for 2024 is confirmed by the following:

Mr. Boštjan Kovač has many years of successful professional work experience in supervisory and other managerial positions in the banking, financial sector and the real sector, and currently performs the function of Head of the Group Steering Division from 2023, as well as Procurator within NLB d.d. Ljubljana, from March 2021.

He is characterized by a multi-year membership in supervisory boards of members of the NLB Group in Bosnia and Herzegovina, current membership in the Supervisory Board of NLB Digit d.o.o. Belgrade since 2022, as well as current membership in the Supervisory Board of NLB Banka AD Skopje since April 18, 2022, as a Member and Deputy President of the Board. Additionally, from the second quarter of 2024, Mr. Boštjan Kovač is a member of the Supervisory Board of NLB Lease & Go d.o.o. Ljubljana.

Such professional engagement in the supervisory function, as well as acquired many years of professional managerial engagement in the field of finance, accounting, controlling, corporate banking and retail, are appropriate for executing of the function member of the Bank's Supervisory Board of NLB Banka AD Skopje, which is validated in the previous period of 2024.

By performing the function of the Deputy President of the Supervisory Board Member of NLB Banka AD Skopje, as well as his membership in the Audit Committee, the Nomination Committee and the Remuneration Committee of NLB Banka AD Skopje, and by gained in-depth knowledge in the field of banking and finance, corporate governance and the role and function of the management and supervision, he is characterised by excellent knowledge of the Bank's established corporate governance, especially its financial situation and risk profile.

The suitable achieved education, expertise and competencies gained through professional engagement in the banking sector and continuous professional specific training and education in the field of finance, banking operations and management, as well as other relevant items of the banking operation, as: sustainability and ESG factors, cyber security and its challenges, data protection and other respective items related to the banking regulation and digital transformation in operation, confirm his suitability for professional experience and knowledge of the position of the Member of the Supervisory Board.

Also, it is appreciated that Mr. Boštjan Kovač in 2024 as a Member of the Supervisory Board, dedicated sufficient time necessary for his additional continuous professional education, where the topics that stand out in 2024 are cyber security and its challenges, digital transformation, AI tools in operation (prompt engineering).

It is determined that for Mr. Boštjan Kovač, the Member of the Supervisory Board of NLB Banka AD Skopje in 2024 no circumstances were identified that could lead to conflicts of interest that would constrain his ability to perform the function of Member of the Supervisory Board.

Mr. Boštjan Kovač expressed readiness for smooth, complete, objective and independent execution of the competences of the Supervisory Board, independent and objective assessment of the decisions and solutions proposed by the other members of the Supervisory Board, independently analysed the decisions of the Management Board and avoided concurring to the collective attitudes and opinions. As the member of the Supervisory Board, he contributed with his actions to the consistent implementation and practice of the basic principles of corporate governance, as well as compliance of the legal regulations and regulations prescribed by the National Bank of the Republic of North Macedonia.

For Mr. Boštjan Kovač, based on his engagement and performance as the member of the Supervisory Board in 2024, it is confirmed that he has a reputation, awareness, and professionalism in corporate governance, which, among other things, includes compliance with the legal provisions and contractual obligations, cooperation with the supervisory and other competent authorities and respecting the corporate culture and values of the Bank.

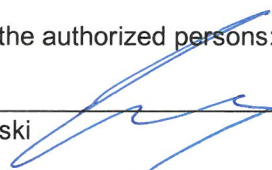
Related with the realised participation in eighteen sessions of the Supervisory Board of the Bank in 2024, and shown active constructive participation in the work of the Supervisory Board, it was concluded that Mr. Kovač devoted sufficient attention and dedication to the function and performance of the obligations as the Member of the Supervisory Board and the Deputy President of the Board, as well as the duties of other bodies of the Bank, as the Member of the Audit Committee, the President of the Nomination Committee and the Member of the Remuneration Committee.

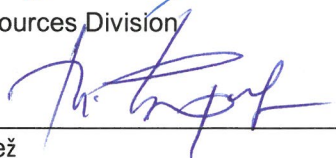
Based on the documents and information mentioned above, an assessment of the suitability of the Mr Boštjan Kovač as the Member of the Supervisory Board was carried out, with which he is assessed as suitable and it is determined that he fulfils the separate criteria as the Member of the Supervisory Board, as well as in the duties of other bodies of the Bank as the Member of the Audit Committee, the President of the Nomination Committee and the Member of the Remuneration Committee, as following the criteria

for knowledge, skills and experience; reputation, integrity and honesty; conflict of interest and independence and time commitment.

Date: 05.03.2025

Signatures of the authorized persons:



Dejan Madzosi
Manager
Human Resources Division

Mateja Papež
Manager
Compliance and Integrity Center

Appendix 1a

Individual assessment of the suitability of Mr. Zoran Jovanovski as an Independent Member of the Supervisory Board of NLB Banka AD Skopje for 2024
1. Verification of the integrity of information and compliance of data with documentation

Criterion	Documents	Suitability
Knowledge, skills and experience	<ul style="list-style-type: none"> – Curriculum Vitae – Documentation submitted by the candidate – Documentation available to the Bank – Comparison of data 	yes
Reputation, integrity and honesty	<ul style="list-style-type: none"> – Extracts from criminal, penalty and misdemeanour proceedings – Orderly economic position – Information in the media 	yes
Conflicts of interest and independence	<ul style="list-style-type: none"> – Personal, professional or economic links with the Bank – Documentation submitted by the candidate 	yes
Time commitment	<ul style="list-style-type: none"> – Documentation submitted by the candidate 	yes

2. Overall assessment:

Based on the documents and information mentioned above, an assessment of the suitability of Mr. Zoran Jovanovski for the function of Independent Member of the Supervisory Board of NLB Banka AD Skopje was carried out, by which Mr. Zoran Jovanovski is assessed as suitable and it is determined that he fulfils the separate criteria for the function of Independent Member of the Supervisory Board, as following: the criteria for knowledge, skills and experience; reputation, integrity and honesty; conflict of interest and independence and time commitment.

Following a thorough review of the relevant documentation and information, Mr. Zoran Jovanovski is hereby assessed as:

- **suitable**
- unsuitable.

Explanation of the assessment:

The suitability of Mr. Zoran Jovanovski, the Independent Member of the Supervisory Board of NLB Banka AD Skopje for 2024 is confirmed by the following:

Mr. Zoran Jovanovski is characterized with long standing successful professional work experience. Most of his professional career has been in the financial sector, as a holder of management positions and experts' functions in commercial banks in the Republic of North Macedonia, as well he has been engaged in the supervision segment, as a holder of functions and competencies in the National Bank of the Republic of North Macedonia in banking supervision, monetary policy and financial stability. Additionally, Mr. Jovanovski has several years of professional experience as Vice President of the Chamber of Commerce of Macedonia, and currently as an advisor in the Office of the President of the Economic Chamber of North Macedonia for macroeconomic issues and public finances.

His several-year membership in the Supervisory Board of the NLB Banka AD Skopje since 2020, conducting of managerial functions in the banking field, as well as experiences in experts' functions in the past period, are suitable for performing the responsibilities for the position of independent member of the Supervisory Board of the Bank, which was also confirmed in 2024.

By performing the function of the Independent Member of the Supervisory Board, as well as the Second Deputy President of the President of the Supervisory Board, the membership in the Audit Committee, Nomination Committee and Remuneration Committee of the NLB Banka AD Skopje in previous period, and with the gained in-depth knowledge in the field of finance, banking, corporate governance, holding the roles and functions in management and supervisory bodies, Mr. Zoran Jovanovski is characterized with excellent knowledge of the corporate governance of the Bank, especially its financial situation and risk profile.

The acquired appropriate education, knowledge, expertise and competencies acquired through continuous professional specific trainings and education in the field of finance, banking operations and management, and other relevant items of the banking operation in the previous period, as: sustainability and ESG Factors, cyber security and its challenges, data protection, prevention of money laundering, as well as other respective areas related to the regulation and specifics of the banking operation, demonstrate his suitability in terms of professional experience and knowledge for the position of the Independent Member of the Supervisory Board.

Also, it is assessed that Mr. Zoran Jovanovski in 2024 dedicated sufficient time necessary for his additional continuous professional education, especially in the area of anticorruption, cyber security and its challenges and digital transformation in operation.

It is assessed that for Mr. Zoran Jovanovski, in 2024, no new circumstances were identified for the occurrence of a conflict of interest that limited his ability to perform the function as an Independent member of the Supervisory Board.

Mr. Zoran Jovanovski, previously disclosed circumstances for the existence of a conflict of interest, for which an assessment of the risk arising from the conflict of interest was carried out in accordance with the Policy on Conflict of Interests Management and Corruption Prevention in NLB Banka AD Skopje where the following was ascertained:

- Mr. Zoran Jovanovski is the founder and owner of 31.5% of the share of the Company for trade, services and publishing activity EURO-MAK KOMPANI DOO import-export Skopje (hereinafter: EURO-MAK KOMPANI DOO), which is the publisher of the economic magazine "Economy and Business" with which the Bank had previously established a direct business relationship in a way that it had concluded one-year service contracts (September 1, 2019 - August 31, 2020 and September 1, 2020 - August 31, 2021) for the lease of advertising space (time) on the web portal www.ekonomijaibiznis.mk and publication of advertisements in the printed editions of the magazine "Economy and Business". After the expiration of this agreement, occasional lease of advertising space occurred indirectly through the marketing agency according to the needs within the marketing campaigns of the Bank, without significant material effect.
- Considering the stated circumstances, the Bank had determined measures necessary to be undertaken for managing the conflict of interests in accordance with the internal acts, which were applied during the period of time while the cooperation with the abovementioned company lasted.

On 25.01.2024, the manager of EURO-MAK KOMPANI DOO submitted a Statement, in which it is stated that starting from 01.03.2024 until the end of the mandate of Mr. Zoran Jovanovski as the independent member of the Supervisory Board of NLB Banka AD Skopje, the company EURO-MAK KOMPANI DOO will not take over any cooperation with NLB Banka AD Skopje that would result in the transfer of funds from the Bank directly to EURO-MAK KOMPANI DOO or through a marketing agency that could be regarded as cooperation between the Bank and EURO-MAK KOMPANI DOO.

- Starting from 29.09.2022, Mr. Zoran Jovanovski was appointed as a member of the Management Board of the Joint Stock Company for the production and sale of wine VINARSKA VIZBA -Tikvesh export-import AD Kavadarci (hereinafter: VINARSKA VIZBA -Tikvesh), whose activity refers to the production of wine from grapes and which company is a client of the Bank.

Mr. Jovanovski informed that he has submitted Resignation from the position of member of the Management Board of the VINARSKA VIZBA - Tikvesh

Considering the stated circumstances, the Bank determined measures necessary to be undertaken for managing the conflict of interests in accordance with the internal acts, till the deletion of Mr. Zoran Jovanovski as a member of the Management Board of VINARSKA VIZBA-Tikvesh from the records in the Central Registry of the Republic of North Macedonia.

Mr. Jovanovski has submitted the Current state of the company VINARSKA VIZBA -Tikvesh dated 12.02.2024, which confirmed that Mr. Jovanovski is no longer a member of the Management Board of this company and has been deleted from the records of the Central Register of RNM.

- Mr. Zoran Jovanovski appeared as one of the owners of the Association Forum for Reasonable Policies Skopje, which aims at encouraging democratization and euroization, expert analysis of social and economic processes, promotion of inclusive decision-making, promotion and affirmation of social position of young people.

Mr. Jovanovski submitted an information that he would withdraw from ownership structure of the Association after the first half of the 2024 year at the latest, which was realized in April 2024.

- Bearing in mind that the Association is a client of the Bank, the Bank has determined measures necessary to be undertaken for managing conflict of interests in accordance with the internal acts. The candidate's obligation for fulfilling the determined measures for managing conflicts of interest was until the deletion of Mr. Zoran Jovanovski as one of the owners of the Association Forum for Reasonable Policies Skopje from the records in the Central Registry of the Republic of North Macedonia.
- Mr. Jovanovski submitted a current state of the Association Forum for Reasonable Policies Skopje dated 26.04.2024, which confirmed that he is no longer one of the owners of the Association and this information has been deleted from the records of the Central Register of RNM.

In his current engagement as the Independent member of the Supervisory Board of the Bank, Mr. Jovanovski has expressed his readiness for uninterrupted, complete, objective and independent performance of the competencies of the Supervisory Board and has realized independent and objective assessment of the solutions and decisions proposed by the other members of the Supervisory Board, independently analysed the decision of the Management Board and avoided following the collective views and opinions. As the independent member of the Supervisory Board, he contributed with his actions to the consistent application and practice of the basic principles of corporate governance, as well as compliance of the legal regulations and regulations prescribed by the National Bank of the Republic of North Macedonia.

Mr. Zoran Jovanovski, based on his engagement and performance as the independent member of the Supervisory Board in 2024, confirmed that has a reputation, awareness, and professionalism in corporate governance, which, among other things, includes compliance with the legal provisions and contractual obligations, cooperation with the supervisory and other competent authorities and respecting the corporate culture and values of the Bank.

Based on the participation in the seventeen sessions of the Bank's Supervisory Board in 2024, the shown active presented initiative and proactiveness in the operation of the Supervisory Board of Mr. Zoran Jovanovski, it was ascertained that Mr. Jovanovski devoted sufficient time and attention to the function and performance of the obligations as the Independent member of the Supervisory Board and the Second Deputy of the President of the Supervisory Board, as well as the duties of other bodies of the Bank, as the Member of the Audit Committee, the Nomination Committee and the Remuneration Committee.

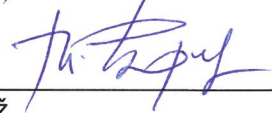
Based on the documents and information mentioned above, an assessment of the suitability of the

Mr. Zoran Jovanovski for the function of the Independent Member of the Supervisory Board was carried out, with which he is assessed as suitable and it is determined that he fulfils the separate criteria for the function Independent Member of the Supervisory Board and the Second Deputy of the President of the Supervisory Board, as well as the duties of other bodies of the Bank, as the Member of the Audit Committee, the Nomination Committee and the Remuneration Committee, as following: the criteria for knowledge, skills and experience; reputation, integrity and honesty; conflict of interest and independence and time commitment.

Date: 10.03.2025

Signatures of the authorized persons:



Dejan Madzosi
Manager
Human Resources Division

Mateja Papež
Manager
Compliance and Integrity Center

Appendix 1a

Individual assessment of the suitability of Mrs. Kristina Kovačič Bjelajac as a Member of the Supervisory Board of NLB Banka AD Skopje for 2024
1. Verification of the integrity of information and compliance of data with documentation

Criterion	Documents	Suitability
Knowledge, skills and experience	<ul style="list-style-type: none"> – Curriculum Vitae – Documentation submitted by the candidate – Documentation available to the Bank – Comparison of data 	yes
Reputation, integrity and honesty	<ul style="list-style-type: none"> – Extracts from criminal, penalty and misdemeanour proceedings – Orderly economic position – Information in the media 	yes
Conflicts of interest and independence	<ul style="list-style-type: none"> – Personal, professional or economic links with the Bank – Documentation submitted by the candidate 	yes
Time commitment	<ul style="list-style-type: none"> – Documentation submitted by the candidate 	yes

2. Overall assessment:

Based on the documents and information mentioned above, an assessment of the suitability of the Mrs. Kristina Kovačič Bjelajac for performing the function of the Member of the Supervisory Board of NLB Banka AD Skopje was carried out, by which Mrs. Kristina Kovačič Bjelajac is assessed as suitable and it is determined that she fulfils the separate criteria for the position of the Member of the Supervisory Board, as following: the criteria for knowledge, skills and experience; reputation, integrity and honesty; conflict of interest and independence and time commitment.

Following a thorough review of the relevant documentation and information, Mrs. Kristina Kovačič Bjelajac is hereby assessed as:

- **suitable**
- unsuitable

Explanation of the assessment:

The suitability of Mrs. Kristina Kovačič Bjelajac, the Member of the Supervisory Board of NLB Banka AD Skopje for 2024 is confirmed by the following:

Many years of successful management professional work experience in the banking sector (NLB d.d. Ljubljana, Republic of Slovenia) on senior managerial positions in the segment of global risk management with expertise in the management of credit, market and liquidity risk, the management of operational risks and regulation of the co-decision processes (underwriting), as well as longstanding

membership in the Audit Committee in NLB Banja Luka (bank - member of NLB Group) and the execution of the function of the member of the Supervisory Board and the President of the Audit Committee at NLB Banka AD Skopje in previous period, are supporting the suitability of Ms. Kristina Kovačič Bjelajac for performing the responsibilities of the function of the member of the Supervisory Board of NLB Banka AD Skopje also confirmed in the previous period in 2024.

By performing the function of the Member of the Supervisory Board, the President of the Audit Committee, the Member of the Remuneration Committee and the Nomination Committee of the NLB Banka AD Skopje, as well as by gained in-depth knowledge in the field of banking and finance, corporate governance and the role and function of the bodies of management and supervision, she possesses excellent knowledge of the established corporate governance of the Bank, especially its financial situation and risk profile.

The appropriate professional experience, education, expertise and competencies acquired through permanent professional specific training and education in the field of finance, banking operations and management, and other relevant items of the banking operation in the previous period, as: risk management and regulatory, sustainability and ESG Factors, cyber security and its challenges, data protection, prevention of money laundering, as well as other respective items related to the regulation and specific of the banking operation and digital transformation in operation, confirm her suitability for professional experience and knowledge of the position of the member of the Supervisory Board.

Also, it is assessed that Mrs. Kristina Kovačič Bjelajac in 2024 as well, dedicated sufficient time necessary for her additional continuous professional improvement, especially in the area of cyber security and its challenges, digital transformation in working, and artificial intelligence tools in operations.

It is assessed that for Mrs. Kristina Kovačič Bjelajac Member of the Supervisory Board of NLB Banka AD Skopje, no circumstances were identified that could lead to conflict of interest situation in 2024, that would limit her ability to perform the function of the Member of the Supervisory Board.

She expressed readiness for uninterrupted, complete, objective and independent performance of the competences of the Supervisory Board, realized independent and objective assessment of the solutions and decisions proposed by the other members of the Supervisory Board, independently analysed the decision of the Management Board and avoided following the collective stances and opinions. As the member of the Supervisory Board, she contributed with her actions to the consistent application and practice of the basic principles of corporate governance, as well as compliance of the legal regulations and regulations prescribed by the National Bank of the Republic of North Macedonia.

Based on her expressed work and operation, it is assessed that Mrs. Kristina Kovačič Bjelajac as the Member of the Supervisory Board in 2024 possesses a reputation which among other things includes following the legal provisions and contractual obligations, cooperation with supervisory and other competent bodies and following the corporate culture and values of the Bank.

Based on the participation in the sixteen sessions of the Bank's Supervisory Board in 2024, the shown initiative and proactiveness in the work of the Supervisory Board, it was concluded that Mrs. Kovačič Bjelajac devoted sufficient attention and dedication to the function and performance of the obligations as the Member of the Supervisory Board, as well as the duties of other bodies of the Bank, as the President of the Audit Committee and the Member of the Remuneration Committee and the Member of the Nomination Committee.

Based on the documents and information mentioned above, an assessment of the suitability of Mrs. Kristina Kovačič Bjelajac for the function of the Member of the Supervisory Board was carried out, by which she is assessed as suitable and it is determined that she fulfils the separate criteria for the function of the Member of the Supervisory Board, as well as the duties of other bodies of the Bank, as the President of the Audit Committee and the Member of the Remuneration Committee and the Member of



the Nomination Committee as following: the criteria for knowledge, skills and experience; reputation, integrity and honesty; conflict of interest and independence and time commitment.

Date: 05.03.2025

Signatures of the authorized persons:

Dejan Madzosi
Manager
Human Resources Division

Mateja Papež
Manager
Compliance and Integrity Center

Appendix 1a

Individual assessment of the suitability of Mrs. Andreja Stražišar as a Member of the Supervisory Board of NLB Banka AD Skopje for 2024
1. Verification of the integrity of information and compliance of data with documentation

Criterion	Documents	Suitability
Knowledge, skills and experience	<ul style="list-style-type: none"> – Curriculum Vitae – Documentation submitted by the candidate – Documentation available to the Bank – Comparison of data 	yes
Reputation, integrity and honesty	<ul style="list-style-type: none"> – Extracts from criminal, penalty and misdemeanour proceedings – Orderly economic position – Information in the media 	yes
Conflicts of interest and independence	<ul style="list-style-type: none"> – Personal, professional or economic links with the Bank – Documentation submitted by the candidate 	yes
Time commitment	<ul style="list-style-type: none"> – Documentation submitted by the candidate 	yes

2. Overall assessment:

Based on the documents and information mentioned above, an assessment of the suitability of Mrs. Andreja Stražišar for the function as a Member of the Supervisory Board of NLB Banka AD Skopje was carried out, by which Mrs. Andreja Stražišar is assessed as suitable and it is determined that she fulfils the separate criteria for the position of Member of the Supervisory Board, as following: the criteria for knowledge, skills and experience; reputation, integrity and honesty; conflict of interest and independence and time commitment.

Following a thorough review of the relevant documentation and information, Mrs. Andreja Stražišar is hereby assessed as:

- **suitable**
- unsuitable

Explanation of the assessment

The suitability of Mrs. Andreja Stražišar, the Member of the Supervisory Board of NLB Banka AD Skopje for 2024 is confirmed by the following:

Mrs. Andreja Stražišar possesses many years of successful professional work experience in the banking sector, of which over 16 years in managerial positions in the segment of financial control in Nova Ljubljanska Banka d.d. Ljubljana, Republic of Slovenia, i.e. over 6 years as Division Manager and 10 years as Deputy Division Manager in the same segment.

In her experience so far, as the Manager in the field of controlling, she is characterized by active professional engagement, as responsible for the controlling competencies at the NLB Group's level, as well as co-leader in the Group's capital management group.

Her membership and contribution in the operations of the Supervisory Board of the NLB Banka AD Skopje since 2021, as well as the membership in the Audit Committee of NLB Banka AD Skopje, in the previous period, are appropriate for executing her responsibilities on the function of the member of the Bank's Supervisory Board, which was also validated in 2024.

Mrs. Andreja Stražišar by performing the function of the Member of the Supervisory Board and other managerial functions in the field of the controlling in the banking operation, as well as the gained in-depth knowledge in the field of banking, finance, corporate governance and the role and function of the managerial and supervision bodies, she possesses excellent knowledge of the established corporate governance of the Bank, especially its financial situation and risk profile.

The appropriate gained education, expertise and competencies acquired through professional engagement in banking sector and continuous professional specific training and education in the field of finance, banking operations and management, and other relevant items of the banking operation and corporate governance in the previous period, as: sustainability and ESG Factors, cyber security and its challenges, data protection, as well as other respective items related to the regulation and specific of the banking operation, confirm her suitability for professional experience and knowledge of the position of the Member of the Supervisory Board.

It is also appreciated that Mrs. Andreja Stražišar dedicated the appropriate time needed in 2024 for her additional permanent professional development, especially in the area of Cyber security and its challenges and the digital transformation in operation.

It is assessed that for Mrs. Andreja Stražišar, the Member of the Supervisory Board of NLB Banka AD Skopje no circumstances were identified that could lead to conflict of interest situation occurred in 2024 that would limit her ability to perform the function of the Member of the Supervisory Board.

Mrs. Andreja Stražišar showed readiness for uninterrupted, complete, objective, and independent performance of the competences of the Supervisory Board, realized independent and objective assessment of the solutions and decisions proposed by the other members of the Supervisory Board, independently analysed the decision of the Management Board and avoided following the collective stances and opinions. As a member of the Supervisory Board, she contributed with her actions to the consistent application and practice of the basic principles of corporate governance, as well as compliance of the legal regulations and regulations prescribed by the National Bank of the Republic of North Macedonia.

It is assessed that Mrs. Andreja Stražišar, as the Member of the Supervisory Board in 2024 possess a reputation which among other things includes following the legal provisions and contractual obligations, cooperation with supervisory and other competent bodies and following the corporate culture and values of the Bank.

Based on the participation in the seventeen sessions of the Bank's Supervisory Board in 2024, the expressed initiative and constructiveness in the work of the Supervisory Board, it was concluded that Mrs. Stražišar devoted sufficient attention and dedication to the function and performance of the obligations as the Member of the Supervisory Board, as well as the Member of the Audit Committee.

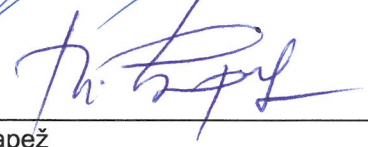
Based on the documents and information mentioned above, an assessment of the suitability of Mrs. Andreja Stražišar for the function of Member of the Supervisory Board was carried out, by which she is assessed as suitable and it is determined that she fulfils the separate criteria for the function of the Member of the Supervisory Board, as well as the Member of the Audit Committee as following: the

criteria for knowledge, skills and experience; reputation, integrity and honesty; conflict of interest and independence and time commitment.

Date: 10.03.2025

Signatures of the authorized persons:



Dejan Madzosi
Manager
Human Resources Division

Mateja Papež
Manager
Compliance and Integrity Center

Appendix 1a

Individual assessment of the suitability of Mrs. Nataša Pukl Independent Member of the Supervisory Board of NLB Banka AD Skopje for 2024

1. Verification of the integrity of information and compliance of data with documentation

Criterion	Documents	Suitability
Knowledge, skills and experience	<ul style="list-style-type: none"> – Curriculum Vitae – Documentation submitted by the candidate – Documentation available to the Bank – Comparison of data 	yes
Reputation, integrity and honesty	<ul style="list-style-type: none"> – Extracts from criminal, penalty and misdemeanour proceedings – Orderly economic position – Information in the media 	yes
Conflicts of interest and independence	<ul style="list-style-type: none"> – Personal, professional or economic links with the Bank – Documentation submitted by the candidate 	yes
Time commitment	<ul style="list-style-type: none"> – Documentation submitted by the candidate 	yes

2. Overall assessment:

Based on the documents and information mentioned above, an assessment of the suitability of Mrs. Nataša Pukl for performing the function of Independent Member of the Supervisory Board of NLB Banka AD Skopje was carried out, by which Mrs. Nataša Pukl is assessed as suitable and it is determined that she fulfils the separate criteria for the position of Independent Member of the Supervisory Board, as following: the criteria for knowledge, skills and experience; reputation, integrity and honesty; conflict of interest and independence and time commitment.

Following a thorough review of the relevant documentation and information, Mrs. Nataša Pukl is hereby assessed as:

- suitable
- unsuitable

Explanation of the assessment:

The suitability of Mrs. Nataša Pukl, Independent Member of the Supervisory Board of NLB Banka AD Skopje with the mandate from 29.05.2024, for 2024 is confirmed by the following:

Mrs. Nataša Pukl is distinguished by proven long-term professional work experience in the banking sector in the Republic of Slovenia, as a holder of high supervisory, management and executive positions in commercial banks, as well as a holder of managerial positions and execution of an expert/advisory function in the area of banking supervision at the Bank of Slovenia.

Namely, Mrs. Pukl started her career in the banking sector as a consultant in the organization and technology development division, to continue with the professional development on various management positions, from head, assistant to division director, director of division in the finance department and accounting, to deputy general manager of the bank, as well as a member of the Management Board (CFO - Chief Financial Officer), responsible for the overall financial activities, more precisely for accounting, controlling, budgeting, liquidity, payment system and trade finance, conducting the vital function of the strategic initiatives of the company.

Also, Mrs. Nataša Pukl stands out with several years of professional experience in the field of supervision on the highest management positions (Deputy Director and Director) of the Division of Banking Supervision in the Bank of Slovenia, as well as Senior Advisor Expert in the same division, after her retirement, as her professional engagement. In addition, within her professional engagement, Mrs. Nataša Pukl, also notes the achievement of the function of a member of the Supervisory Board of Sberbank Banka d.d. Ljubljana, Republic of Slovenia (later renamed to N Banka d.d.) till August 2023, and from 29.05.2024, with her membership in the Supervisory Board of NLB Banka AD Skopje, as an independent member, her expertise, knowledge and competencies for performing the function of an independent member of the Supervisory Board of NLB Banka AD Skopje are further validated.

Mrs. Nataša Pukl in her professional carrier is characterized by long-term engagement and realized membership in specialized professional bodies in the area of banking and supervision, such as: member of supervisory board in European Banking Agency (EBA) and CEBS (as the predecessor of EBA), member of BSCEE (Board of Supervisors of Central and East European Countries), member in SCOP (Subcommittee of EBA Supervisory Practices). Since 2015, she has been a member of in SDA - Slovenian Director's Association (Združenje nadzornikov Slovenije - ZNS), as licensed manager/supervisor.

The adequate professional experience and education, expertise and competencies acquired through continuous participation in professional development and training in the fields of finance, banking, accounting, financial analysis, financial reporting, supervision, audit, management and corporate governance, Cyber security and its challenges, as well as other current topics related to the regulation and specifics of banking operations and digital transformation in operation validate her suitability for professional experience and knowledge for the position of Independent Member of the Supervisory Board.

Also, it is assessed that Mrs. Nataša Pukl in the period of her mandate in 2024, dedicated sufficient time necessary for her additional continuous professional improvement, especially in the area of cyber security and its challenges and digital transformation in operation.

It is assessed that for Mrs. Nataša Pukl, Independent Member of the Supervisory Board of NLB Banka AD Skopje, no circumstances were identified that could lead to conflict of interest situation, in the period of her mandate in 2024, that would limited her ability to perform the function of the Independent Member of the Supervisory Board.

She expressed readiness for uninterrupted, complete, objective and independent performance of the competences of the Supervisory Board, realized independent and objective assessment of the solutions and decisions proposed by the other members of the Supervisory Board, independently analysed the decision of the Management Board and avoided following the collective stances and opinions. As the Independent Member of the Supervisory Board, she contributed with her actions to the consistent application and practice of the basic principles of corporate governance, as well as compliance of the legal regulations and regulations prescribed by the National Bank of the Republic of North Macedonia.

It is assessed that Mrs. Nataša Pukl, based on her expressed work and operation as Independent Member of the Supervisory Board in the Banka, in the period of her mandate in 2024 possesses a reputation which among other things includes following the legal provisions and contractual obligations, cooperation with supervisory and other competent bodies and following the corporate culture and values of the Bank.

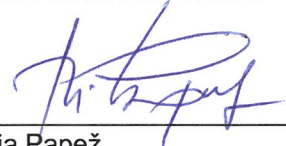
Based on the permanent participation in the realized sessions of the Supervisory Board of the Bank in the period of her mandate in 2024, the shown initiative and proactiveness in the work of the Supervisory Board, it was concluded that Mrs. Nataša Pukl devoted sufficient attention and dedication to the function and performance of the obligations as an independent Member of the Supervisory Board.

Based on the documents and information mentioned above, an assessment of the suitability of the Mrs. Nataša Pukl for the function Independent Member of the Supervisory Board was carried out, with which she is assessed as suitable and it is determined that she fulfils the separate criteria for the function Independent Member of the Supervisory Board following: the criteria for knowledge, skills and experience; reputation, integrity and honesty; conflict of interest and independence and time commitment.

Date: 10.03.2025

Signatures of the authorized persons:



Dejan Madžoski
Manager
Human Resources Division

Mateja Papež
Manager
Compliance and Integrity Center

Appendix 1a

Individual assessment of the suitability of Ms. Mateja Treven as an Independent Member of the Supervisory Board of NLB Banka AD Skopje for 2024
1. Verification of the integrity of information and compliance of data with documentation

Criterion	Documents	Suitability
Knowledge, skills and experience	<ul style="list-style-type: none"> – Curriculum Vitae – Documentation submitted by the candidate – Documentation available to the Bank – Comparison of data 	yes
Reputation, integrity and honesty	<ul style="list-style-type: none"> – Extracts from criminal, penalty and misdemeanour proceedings – Orderly economic position – Information in the media 	yes
Conflicts of interest and independence	<ul style="list-style-type: none"> – Personal, professional or economic links with the Bank – Documentation submitted by the candidate 	yes
Time commitment	<ul style="list-style-type: none"> – Documentation submitted by the candidate 	yes

2. Overall assessment:

Based on the documents and information mentioned above, an assessment of the suitability of Mrs. Mateja Treven for the function Independent Member of the Supervisory Board was carried out, by which Mrs. Mateja Treven is assessed as suitable and it is determined that she fulfils the separate criteria for the position of Independent Member of the Supervisory Board, as following: the criteria for knowledge, skills and experience; reputation, integrity and honesty; conflict of interest and independence and time commitment.

Following a thorough review of the relevant documentation and information, the Mrs. Mateja Treven is hereby assessed as:

- **suitable**
- unsuitable.

Explanation of the assessment:

The suitability of Mrs Mateja Treven, Independent Member of the Supervisory Board of NLB Banka AD Skopje, with the mandate till 28.05.2024, for 2024 is confirmed by the following:

Mrs. Mateja Treven has many years of successful professional work experience in supervisory and other managerial positions in the banking and insurance sector, as well as consulting and executive functions in professional companies/ networks for providing of expert services in the field of finance and suitability development, where she currently holds the position of cofounder and manager (CEO) of the company Blockhapp d.o.o. Ljubljana.

Additionally, Ms. Mateja Treven is characterized with many years of memberships in the Society of CFA - Slovenija, and as a member of the Board of Directors of Society, from July 2020.

Her several-year membership in the Supervisory Board of the NLB Banka AD Skopje since October 2020, the membership in the Supervisory Board and Audit Committee of NLB Banka Pristina since 2021, as well as the membership in supervisory boards and conducting executive management functions in other fields of the financial operation and more widely in the past period, are assessed as suitable for

performing the responsibilities for the position of the independent member of the Supervisory Board of the Bank, which was also ascertained in 2024 (till the expiration of her mandate 28.05.2024).

By performing the function of the Independent Member of the Supervisory Board of the NLB Banka AD Skopje, as well as the gained in-depth knowledge in the field of finance, investment management, financial accounting, financial analysis, insurance, banking, corporate governance, the role and function of management and supervisory bodies, she is characterized with excellent knowledge of the corporate governance of the Bank, especially its financial situation and risk profile.

The appropriately gained professional experience education, knowledge, expertise and competencies acquired through professional engagement in the sector of finance, continuous professional specific training and education in the area of finance, investment management, banking operations and management, and other relevant items of the banking operation in the previous period, as: sustainability and ESG Factors, Cyber security, data protection, prevention of money laundering, as well as other respective items related to the regulation and specific to the banking operation, confirm her suitability for professional experience and knowledge of the position of Independent Member of the Supervisory Board.

Also, it is assessed that Mrs. Mateja Treven in 2024 (within her mandate till 28.05.2024), dedicated sufficient time for her professional improvement.

It is assessed that for Mrs. Mateja Treven, in 2024, during her mandate in the Bank, no new circumstances were identified for the occurrence of a conflict of interest that limited her ability to perform the function of an Independent member of the Supervisory Board.

Mrs. Mateja Treven previously disclosed the circumstances of the existence of a potential conflict of interest, in accordance with the Policy for conflict of interest management and prevention of corruption in NLB Bank AD Skopje, where the following was ascertained:

- Mrs. Mateja Treven is the manager of the company Blockhapp d.o.o. Slovenia and considering the activity of the company (other business consulting services, research and development in the field of natural sciences and technology), it could have appeared in the role of a service provider and of companies that work and operate in the territory of the Republic North Macedonia.

Considering the stated circumstances, the Bank determined measures necessary to be undertaken for managing the situations of conflict of interests in accordance with the internal acts, as follows:

- Mrs. Treven was obliged to disclose circumstances of a conflict of interest, if the company Blockhapp d.o.o. from Ljubljana, in which she acts as a CEO, provided services to companies that work and operate in the territory of the Republic of North Macedonia.

- Mrs. Treven's obligation to fulfil the determined measure lasted for the entire duration of the mandate.

Also, Mrs. Mateja Treven previously disclosed her position within the Audit Committee of Luka Koper d.d. and Board of Directors of the CFA Society Slovenia Institute, where it was identified that there was no conflict of interest situation related to NLB Banka Skopje AD during her mandate in the Supervisory Board of NLB Banka AD Skopje.

During her mandate in 2024, Mrs. Mateja Treven presented readiness for uninterrupted, complete, objective and independent performance of the responsibilities of the Supervisory Board member, through independent and objective assessment of the decisions proposed by the other members of the Supervisory Board, independently analysing of the decision of the Management Board and avoiding following the collective stances and opinions. Mrs. Mateja Treven, as an independent member of the Supervisory Board, with her operation within the mandate in 2024, realised the consistent implementation and practice of the basic principles of corporate governance, as well as compliance of the legal regulations and regulations prescribed by the National Bank of the Republic of North Macedonia.

Mrs. Mateja Treven, as the Independent Member of the Supervisory Board in 2024 (within her mandate in 2024) confirmed that she has a reputation and professionalism in corporate governance, which among other things includes following the legal provisions and contractual obligations, cooperation with supervisory and other competent bodies and following the corporate culture and values of the Bank.


Regarding, the realised sessions of the Supervisory Board of the Bank within her mandate till 28.05.2024, the manifested initiative and cooperation in the operation of the Supervisory Board, as well as the information on memberships in the Audit Committee in the company Luka Koper (Port of Koper) for which she allocated 8 hours per month and 2 hours per month in the Board of Directors of the CFA Society Slovenia, it was ascertained that Mrs. Mateja Treven paid enough attention and dedication to the position and performance of her duties as the Independent Member of the Supervisory Board, with her unhindered participation and attendance at the sessions of the Supervisory Board.

Based on the documents and information mentioned above, an assessment of the suitability of the Mrs. Mateja Treven for the function independent member of the Supervisory Board was carried out, with which she is assessed as suitable and it is determined that she fulfils the separate criteria for the function Independent member of the Supervisory Board, as following: the criteria for knowledge, skills and experience; reputation, integrity and honesty; conflict of interest and independence and time commitment.

Date: 10.03.2025

Signatures of the authorized persons:



Dejan Madzosi
Manager
Human Resources Division

Mateja Papež
Manager
Compliance and Integrity Center

Прилог 16

Колективна годишна оцена на соодветноста на Надзорниот одбор на НЛБ Банка АД Скопје за 2024 година

Се констатира дека Надзорниот одбор на НЛБ Банка АД Скопје во текот на 2024 година, во следниот состав:

- Блаж Бродњак, Претседател на Надзорниот одбор
- Боштјан Ковач, Заменик претседател на Надзорниот одбор
- Зоран Јовановски, Втор заменик претседател на Надзорниот одбор и независен член на Надзорниот одбор
- Кристина Ковачич Бјелајац, Член на Надзорниот одбор
- Андреја Стражишар, Член на Надзорниот одбор
- Матеја Тревен, Независен член на Надзорниот одбор до 28.05.2024 година
- Наташа Пукл, Независен член на Надзорниот одбор од 29.05.2024 година,

демонстрираше посветеност и ефикасно работење во остварување на надзорот над работењето на Управниот одборот и законски пропишаните одбори и потврди дека ги поседува знаењата, компетенциите и искуството потребно за независен надзор на работењето на НЛБ Банка АД Скопје, со особен акцент на сеопфатното познавање и разбирање на активностите што ги врши Банката и на материјалните ризици на кои е изложена.

Надзорниот одбор во остварувањето на надзорот во 2024 година, продолжи доследно и ефикасно да ги извршува работите од својата надлежност, и обезбеди континуитет во остварување на својата надзорна функција во поглед на севкупното работење на банката и решавањето на значајни прашања за работењето на банката со стручен и професионален пристап на членовите на Надзорниот одбор, согласно законската регулатива и барања.

Во текот на 2024 година се одржаа осумнаесет седници на Надзорниот одбор со континуирано учество на членовите на Одборот, на коишто се донесоа значајни одлуки за решавање на прашања од неговата надлежност, контрола и следење на работењето на банката. Активна вклученост на членовите на Одборот и нивното меѓусебно дополнување со искажани објективни независни ставови во одлучувањето и остварувањето на надзор на работењето, беа одлика на нивното работење и во 2024 година.

Надзорниот одбор во 2024 година одговорно ги вршеше своите активности во насока на обезбедување на добро работење и управување и стабилност на Банката, како и навремено и точно финансиско известување на Народната банка на РСМ. Надзорниот одбор, особено, ги насочи своите активности и работење кон продолжување на профитабилното работење на Банката и задржување на водечката позиција на Банката во банкарскиот сектор во Република Северна Македонија.

Врз основа на ова, се цени дека составот на Надзорниот одбор поседува способност за размена на искуства и знаења и меѓусебна соработка во вршење на надзор на Банката, како и носење на индивидуални објективни и непристрасни одлуки при надзорот.

Тоа се потврдува и преку активното учество во работата на состаноците на Одборот на членовите на Надзорниот одбор во текот на 2024 година, во насока на спроведување на надзорот на работењето на Банката, обезбедување на добро работење, управување и стабилност на Банката.

Се констатира дека членовите на Надзорниот одбор во ваков состав во 2024 година поседуваат соодветни компетенции и стручност во банкарското работење потребни за остварување на надзор на работењето, способност за меѓусебна соработка и размена на искуства и знаења со потребната објективност и конструктивност во излагањата, независност и самостојност во одлучувањето и извршувањето на надлежностите, како и посветување на соодветно време за извршување на обврските што произлегуваат од членството во Надзорниот одбор и

членството во другите одбори на банката во коишто се назначени, како и посветување на време за нивно континуирано стручно надоградување.

Се потврдува дека членовите на Надзорниот одбор имаат стекнато долгогодишно професионално работно искуство од различни области на банкарскиот и финансискиот сектор како носители на раководни и надзорни функции, што овозможува Надзорниот одбор ефикасно и соодветно да врши надзор на работењето на Банката и Управниот одбор, да ги одобрува политиките за вршење на финансиски активности и останатите политики и да го следи нивното спроведување согласно Законот за банките и Статутот на НЛБ Банка АД Скопје, како и да обезбедува добро работење, управување и стабилност на Банката, и навремено и точно финансиско известување на НБРСМ.

Разновидното професионално искуство и знаење се состоеше од познавање на процесите и искуството со кои располагаа членовите на Надзорниот одбор на НЛБ Банка АД Скопје, и се однесуваат на: управувањето со ризиците, вршењето финансиски анализи, финансиското известување и сметководство, информациската технологија, пазарите на капитал, стратешкото планирање, корпоративното управување, внатрешната ревизија, остварување на банкарска супервизија, усогласеноста со прописите, наградувањето на успешноста во работењето, спречување на перење пари и борба против тероризмот, ЕСГ стандардите, разбирањето на локалната, регионалната економија, како и глобната економија и финансии, како и познавањето на релевантната домашна регулатива и меѓународни стандарди од банкарското работење.

Имено, се валидира дека членовите на Надзорниот одбор поседуваат докажани управувачки и надзорни вештини, стекнати продлабочени знаења и висока компететност од областа на финансиите, банкарското работење, супервизијата на банкарското работење и корпоративно управување, и истото го искажаа и во 2024 година со соодветен придонес кон ефикасно остварување на надзорот и работата на Одборот.

Со колективната годишна позитивна оцена на Надзорниот одбор како колективен орган, се потврдува исполнувањето на предусловите за колективно донесување на стручни одлуки и поседувањето на соодветно знаење, компетенции и искуство за обезбедување на услови за добро и стабилно работење и управување со Банката во согласно законските барања и етичките професионални стандарди на банкарското работење, кое се потврди и докажа во 2024 година.

Annex 1v

Self-assessment of the individual work for 2024 by each member of the Supervisory Board of the NLB Banka AD Skopje

Report on analysis of Supervisory Board Self-assessment (2024)

1. Introduction

Best practice of corporate governance recommends that Supervisory Board ("SB") performance shall be assessed annually. We have incorporated such procedure in NLB Group Governance Policy and introduced standardized activities five years ago on a group level. The goal of such procedure is to identify the areas requiring improvements and to specify the priorities and required measures. Questions mainly refer to evaluation of the effectiveness of the body, its composition, potential conflicts of interest, role of individual member and quality of cooperation with the Management Board.

2. Executive summary

Self-assessment questionnaires were sent to 6 members¹ of the SB of NLB Banka Skopje and all of them completed the questionnaires.

The summary of the analysis of the questionnaires shows the average score (min 1, max 4) of the main work areas of SB and their individual opinion regarding SB strength and weakness, as follows:

A	CORPORATE GOVERNANCE FRAMEWORK <i>Corporate Governance policy (CGP), Diversity policy, Remuneration Policy, Sustainability Policy or another equivalent document</i>
Average score: 3.6 (2023: 3.6; 2022: 3.4)	<u>Findings:</u> Corporate Governance Code of NLB Banka Skopje and Remuneration Policy for employees of NLB Banka Skopje were adopted in December 2024. Policy on the provision of diversity of the management body and senior management in NLB Banka Skopje was adopted in April 2023. Sustainability Policy and Environmental and Social Transaction Policy Framework in NLB Banka AD Skopje, were adopted in July 2024.
B	APPOINTMENT OF THE SB MEMBERS AND ONBOARDING <i>Defining the criteria for selection of candidates, selection procedures, on-boarding program</i>
Average score: 3.6 (2023: 3.4; 2022: 3.5)	<p><u>Findings:</u> Target SB composition is defined in Group Governance policy and supplemented by independent SB members. The procedure of candidate selection is transparent, previously aligned with the parent company and in accordance with the company's internal act.</p> <p><u>Comments from SB members:</u></p> <ul style="list-style-type: none"> Under local regulation larger shareholders propose SB members. In this case the SB does not actively procure the search but assesses the candidates. In line with this, NLB established the necessary framework (selection policy) incl F&P assessment/diversity principles. There is always room for more effective and comprehensive onboarding process, i.e. learnings should be used for continuous improvements.

¹ one independent SB member started the mandate on 29.5.2024

C	COMPOSITION OF THE SUPERVISORY BOARD <i>Skills, knowledge, and experience of SB members, diversity of composition and the number of SB members, FIT&PROPER procedure</i>
Average score: 4.0 (2023: 3.9; 2022:3.9)	<p><u>Findings:</u> Combination of selected professional backgrounds of the SB members is complementary as well as attuned to the challenges and plans. Number of SB members allow the appointment of members to SB committees. F&P is a part of the nomination process.</p>
D	THE SUPERVISORY BOARD TASKS <i>Strategy management, control of company operations, HR management</i>
Average score: 3.7 (2023: 3.4 2022: 3.6)	<p><u>Findings:</u> SB regularly and efficiently controls the Bank's financial operations of the bank and other fields of operations. Regular quarterly HR report was implemented in 2023.</p> <p><u>Comments from SB members:</u></p> <ul style="list-style-type: none"> Group wide strategy is defined on the parent institute level, while subsidiaries have clearly been a vital part of considerations. They have been included meaningfully in the strategizing process, yet there has always been possibility for even more intensive alignments. Overall, the strategy framework of the bank has been comprehensively addressing the specific priorities of the entity, while being in line with the strategic framework of the Group it belongs to. Strategy to be prepared and approved.
E	RELATIONS WITH THE MANAGEMENT BOARD <i>Appointment of MB members, quality of cooperation, performance evaluation, remuneration</i>
Average score: 4.0 (2023: 3.8; 2022: 3.9)	<p><u>Findings:</u> The procedure of candidate selection is transparent, defined by the parent company and incorporated in the Banks's internal acts. The SB regularly and systematically evaluates MB performance. The performance criteria (financial and non-financial criteria) are modified each year, and they define quantity and quality measures and weightings for the remunerations of the MB.</p> <p><u>Comment from a SB member:</u> In 2024 there have been developments that led to a loss of trust into the CEO and his substitution, paralleled by the recruitment of the MB member for Retail banking.</p>
F	QUALITY OF MATERIALS AND REPORTING <i>Timeliness and quality of materials, confidentiality of information, quality of reporting, reporters</i>
Average score: 3.6 (2023: 3.4 2022: 3.6)	<p><u>Findings:</u> The SB members mostly receive the materials in time; some materials, however, occasionally arrive late. The quality of material for SB meetings was upgraded but there are still possible improvements in the preparation of well-structured executive summaries that would lead the discussion to areas of material interest / problem areas. The business secrecy/confidentiality is protected.</p> <p><u>Comments from SB members:</u></p> <ul style="list-style-type: none"> ➤ Board materials could always be more effective in rendering the key messages, so there has been a continuous room for improvement.

	<ul style="list-style-type: none"> ➤ Most of materials is well prepared, however some materials could contain more condensed summary with key focus information. ➤ Presentation and communication skills of reporters and Board members can always be further improved. ➤ Sometimes more direct visibility from heads of control functions might be beneficial.
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G	SUPERVISORY BOARD MEETINGS <i>Convocation and chairmanship of meetings, quality of discussion, digitalization and protection of information, agenda, meeting minutes, monitoring the implementation of resolutions, secretary of the SB</i>
Average score: 3.6 (2023: 3.7; 2022: 3.8)	<p><u>Findings:</u> Meetings are convened in compliance with the SB Rules of procedure. Discussions are constructive. The Bank ensures adequate protection and information security when distributing materials to the members of the SB. There are some shortcomings in the preparation of the minutes. The cooperation between Secretary and Chairperson is at a satisfactory level.</p> <p><u>Comments from SB members:</u></p> <ul style="list-style-type: none"> • SB meeting documentation is submitted via email, protected with the password. I can't evaluate if this is secure enough. Probably a special application would be more secure, and it would also give a possibility to establish an archive of SB documentation (and also other documentation- like internal acts of the bank) and can be reached by SB members whenever needed. • Minutes can always deliver the gist of the discussion in a more effective way, therefore continuous improvements are targeted. • In 2024, the minutes did not always adequately summarize the discussion and were not distributed within ten working days. However, this practice has improved in recent period.

H	SB COMMITTEES <i>Appointment and composition of SB committees, committee reporting to the SB</i>
Average score: 3.9 (2023: 3.8; 2022: 4.0)	<p><u>Findings:</u> SB has appointed necessary committees. Most members are experts in the field for which the committee is responsible. The SB is regularly and timely informed about the work of the committees.</p>

I	CONTRIBUTIONS OF INDIVIDUAL SB MEMBERS <i>Attendance at SB sessions, preparedness, participation, individual SB members contribution</i>
Average score: 3.5 (2023: 3.6; 2022: 3.7)	<p><u>Findings:</u> Attendance of the SB members at meetings is high. The members of the SB generally thoroughly prepare for the meeting. Expert knowledge and professional attitude of the SB members make the atmosphere at the SB meetings pleasant and conducive to new ideas.</p> <p><u>Comment from a SB member:</u> The quantity of documentation of some meetings is so large that I am not able to read everything thorough, also I dedicate quit a lot of time to the documentation of</p>

	each meeting. This is especially the case, when many internal acts, policies etc. are submitted to the SB meeting and require the SB consent.
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J	CULTURE AND DEVELOPMENT OF THE SUPERVISORY BOARD <i>Conflict of interest, teamwork of the SB activity, motivation for work, professional development, evaluation of SB performance, remuneration of the SB</i>
Average score: 3.8 (2023: 3.5; 2022: 3.7)	<p><u>Findings:</u> Conflicts of interest are managed according to best practice recommendations, legal regulations, and internal documents. All decisions are adopted jointly regardless of any differences in views and positions. The Bank prepares the education framework plan for SB and its committees. Self-evaluation of the SB is carried out once a year.</p> <p><u>Comments from SB members:</u></p> <ul style="list-style-type: none"> • Training could always be more intensive and frequent, especially in the ever quicker changing environment, introducing new categories of risk, the most prominent lately being the cyber and fraud dimension. • Since 2025 the remuneration for the work of SB members was increased significantly, but it is questionable if it is in line with SB members responsibility, especially in comparison with remuneration of MB.

	OTHER – SB's strength and weakness
	<p><u>The individual opinion on SB's greatest strength:</u></p> <ul style="list-style-type: none"> • Diverse knowledge and experience, open communication and sincere devotion to company success. • Top level of technical knowledge of its members, accompanied by working in an environment that encourages an open discussion. In those circumstance, any challenge that might appear related to the Bank's operations can be properly discussed and addressed. • Professional support of the NLB Group, expertise of SB members and strong leadership of the chairman. • Diversity and wealth of experience in and beyond the banking industry • Constructive cooperation among SB and MB members, open discussion, SB members are experts in various fields. <p><u>The individual opinion on SB's greatest weakness, improvements that were suggested:</u></p> <ul style="list-style-type: none"> • More forward looking discussions - which clients will we bank with in 2030? • What I will write is not a weakness, it is just a suggestion: It may be useful to spend a bit more time in the future SB's meetings covering the latest technological developments and their implications for the banking business in the (not so close) future. • To technical upgrade the work of SB with an application to improve availability of documentation, the security, transparency of voting... • The Board could always be even more active and engaged, yet I believe that the underlying one has been pretty balanced. • IT / ITC knowledge. Additional trainings, support from independent IT experts...

3. The implementation of the suggested improvements identified in self-assessment of SB members for 2023

	Responsible	Realization
D: THE SUPERVISORY BOARD TASKS Regarding the control of company operations: room for improvement in internal control systems and reporting. More discussion about talents and succession planning at SB meetings would be appreciated. Within the HR Strategy the succession plan should be updated.	MB /SB	The succession plan was updated*
F: QUALITY OF MATERIALS AND REPORTING Improving the material which should guide to main points that should be discussed.	The Bank	Ongoing task
G: THE SUPERVISORY BOARD MEETINGS Further steer the quality of minutes (internal verification of minutes by SB Secretary before submission to the SB members).	SB Secretary	Ongoing task
J: CULTURE AND DEVELOPMENT OF THE SB Prepare the training plan for SB members with consideration of the most topical issues (for example: cyber security).	SB Secretary	Ongoing task

*In February 2025, MB has approved the lists of successors (up to successors for B1) and talents (young and professional talents) in NLB Banka Skopje. They have all been included in the talent development program which kicked-off on March 07th. While the steps undertaken so far in this area have been presented to the SB at the regular quarterly HR reviews (including the latest review for Q4 2024), a more comprehensive overview on the topic will be given in the next HR review for the SB (Q1 2025).

4. Conclusion and recommendations

Following the regular annual self-assessment for 2024, the work of individual members and the work of the SB was fully assessed as effective, as it responded to each challenge promptly and constructively and successfully supervised the Bank's operations. No major weakness was identified.

The average score for all areas was reached at level of **3.7**, higher than the previous year (2023: 3.6).

We suggest the following activities in 2025:

	Responsible	Deadline
D: THE SUPERVISORY BOARD TASKS Based on the NLB Group Strategy 2025-2030, the Bank should prepare its own strategy.	MB	2025
F: QUALITY OF MATERIALS AND REPORTING There is still room for improvement in the preparation of SB materials, also additional training for rapporteurs could be beneficial.	Material writers and reporters	Ongoing task
G: SUPERVISORY BOARD MEETINGS		

There is still room for improvement in the preparation of the minutes in terms of adequately summarizing the discussion and the timeliness of their submission to the SB members for review.	SB Secretary	Ongoing task
J: CULTURE AND DEVELOPMENT OF THE SB When preparing a framework training plan for SB members, the latest issues (cyber security, fraud), technological developments and their implications for banking operations in the future, should be among the priorities.	SB SB Secretary	Ongoing task

Appendex g

1. Assessment of the size and composition of the Supervisory Board

The size of the Supervisory Board is regulated in accordance with the prescribed number of members which is determined with the Law on Banks.

During 2024 the Supervisory Board worked in the composition of 6 members and they had efficient discussions and debate on the items stipulated on the agenda in line with providing constructive proposals and they objectively and independently decided on each proposal-decision whereby their role in the work of the Supervisory Board is positively assessed for 2024.

2. Assessment of the size and composition of the Audit Committee and Risk Management Committee

The size of the Audit Committee and Risk Management Committee is regulated in accordance with the prescribed number of members which is determined with the Law on Banks and by the Statute of NLB Banka AD Skopje.

The members of the Audit Committee in 2024 worked in the composition of 5 members and they had efficient discussions and debate on the items stipulated on the agenda in line with providing constructive proposals and they objectively and independently decided on each proposal-decision whereby their role in the work of the Audit Committee is positively assessed for 2024.

The members of the Risk Management Committee in 2024 worked in the composition of 9 members and they had efficient discussions and debate on the items stipulated on the agenda in line with providing constructive proposals and they objectively and independently decided on each proposal-decision whereby their role in the work of the Risk Management Committee is positively assessed for 2024.

3. Assessment of the efficiency of the Supervision performed by the Supervisory Board as part of the corporate governance in the Bank and identifying the activities that require enhancement or changes

The Supervisory Board has one of the main roles in efficient implementation of the Supervision in corporate governance of the Bank.

By establishing a good system of corporate rules and values, the Supervisory Board in the course of 2024 provided good and stable work of the Bank, as well as harmonization of the work of the Bank with the local regulations for corporate governance, as well as harmonization with the international standards of corporate governance.

The established system of NLB Bank AD Skopje for corporate governance, in particular the control performed by the Supervisory Board, proves to be efficient and the Bank is continuously working to improve the already established efficient corporate governance system.

It also distinguishes the Bank's performance in respecting and applying the Code of Conduct established at Group level.

Each individual member of the Supervisory Board and Supervisory Board as a collective will continue to work on improvement of the established corporate governance system.

From this aspect, the role of supervision of the Supervision Board is positively assessed as part of the corporate management in the Bank

4. Assessment of the efficiency of the Nomination and Remuneration Committee

The members of the Remuneration and the Nomination Committee in 2024 worked in a composition of 4 members and they led an efficient discussion and debate on the agenda items and continuously assisted the Supervisory Board in the implementation of part of its competences related to the establishment and implementation of the Remuneration Policy and the Policy on the method of selection, monitoring the operation and dismissal of the members of the Supervisory Board, the Risk Management Committee, the Audit Committee and the Management Board.

The Supervisory Board chooses members from among its members who will be part of the composition of the Nomination Committee and the Remuneration Committee, and through their many years of professional work experience in various fields, they gave constructive proposals and objectively and independently decided on each proposal - decision to the Supervisory Board whereby their role in the work of the Nomination Committee and the Bank's Remuneration Committee for 2024 is positively evaluated

5. Assessment of the efficiency of the legally foreseen boards (Audit Committee and Risk Management Committee)

The Audit Committee and the Risk Management Committee in the course of 2024 efficiently conducted their work by timely informing the Supervisory Board of their activities, determined in accordance with the Law on Banks and the Bank's Statute, with a positive assessment of their role in establishing professional standards in banking.

Boštjan Kovač
President of the
Nomination Committee

Annual Shareholders Assembly of NLB Banka AD Skopje

Proposal-Decision for approving of the Annual Report for the work of the Supervisory Board for 2024 with included results of individual and collective assessment of the work of the members of the Supervisory Board for 2024

Pursuant to Article 39 of the Statute of NLB Banka AD Skopje, the Assembly of NLB Banka AD Skopje adopted the following:

Decision for approving of the Annual Report for the work of the Supervisory Board for 2024 with included results of individual and collective assessment of the work of the members of the Supervisory Board for 2024

1. The Annual Report for the work of the Supervisory Board for 2024 with included results of individual and collective assessment of the work of the members of the Supervisory Board for 2024 is approved, annex to this decision;
2. The decision comes into force on the day of its adoption.

In Skopje, 29.05.2025

The decision shall be submitted to:
Secretariat

Chairman
of the Annual Shareholders Assembly
of NLB Banka AD Skopje

Executive Summary

Pursuant to Article 39 paragraph 1 of the Statute of NLB Banka AD Skopje, the Shareholders Assembly approves the Annual Report on the work of the Supervisory Board of the Bank.

The Annual Report on the work of the Supervisory Board of NLB Banka AD Skopje includes the results of the individual and collective evaluation of the work of the members of the Supervisory Board for 2024, in accordance with the Decision on the rules for good corporate governance in the Bank.