

# Corporate Governance Statement of NLB

Pursuant to Article 70, paragraph 5, of the Companies Act (ZGD-1)<sup>14</sup> NLB hereby gives the following Corporate Governance Statement as a part of the Business Report of the NLB Group Annual Report 2020.

## 1. STATEMENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Information contained in this point represents a ‘Statement of Compliance with the Corporate Governance Code’ as defined in the Ljubljana Stock Exchange Rules, dated 27 April 2020 (Article 24).

### 1.1. REFERENCES TO THE CODE ON CORPORATE GOVERNANCE

Apart from binding legal framework (primarily but not exclusively Companies Act (ZGD-1), Banking Act (ZBan-2), EBA Guidelines), the Bank as a public company, also follows best corporate practice recommendations of the Corporate Governance Code for Listed Companies, adopted by the Ljubljana Stock Exchange and Slovene Directors’ Association, adopted on 27 October 2016 (came in force on 1 January 2017). The recommended best corporate governance practices contribute to a transparent and understandable corporate governance system, which promotes both domestic and foreign investor confidence, as well as the confidence of employees, other stakeholders (regulators, suppliers, etc.) and the general public. This code is published on the Ljubljana Stock Exchange’s website (<http://www.ljse.si>). A decision on which code the Bank will follow is made jointly by the Management Board and the Supervisory Board of the Bank by adopting the Corporate Governance Policy of NLB (November 2020).

Compliance with the aforementioned code is explained in the Corporate Governance Statement of NLB on ‘comply or explain basis,’ in which the Bank provides explanation on deviations or reasoning for non-compliance with certain recommendation. The statement refers to the Bank’s system of corporate governance from the beginning to the end of financial year, which also corresponds to the beginning and the end of the calendar year (from 1 January until 31 December). Corporate Governance Statement of NLB is, according to Article 70 (paragraph 5) of the Companies Act (ZGD-1), included in the Business Report of the NLB Group Annual Report (published on (<https://www.nlb.si/financial-reports>), and is also published on the Bank’s website under the chapter on Corporate Governance (<https://www.nlb.si/corporate-governance>).

NLB strives to increase the level of its business transparency and informs the shareholders and other expert community based on Guidelines on Disclosure for Listed Companies (Ljubljana Stock Exchange, valid from 23 November 2020) on electronic communications system of the Ljubljana Stock Exchange (SEOnet), in line with Rules and Regulation of the Luxembourg Stock Exchange, as well as in line with Rules of the London Stock Exchange through Regulatory News Services (RNS) of the London Stock Exchange.

The Corporate Governance system of the Bank and all relevant information on Bank’s management that exceeds the requirements of article 70 of the Companies Act (ZGD-1) are published in the Corporate Governance Policy of NLB (November 2020) and other documents that are communicated to the stakeholders and other interested persons by being published on the NLB’s website (<http://www.nlb.si/corporate-governance>).

## 2. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE FOR LISTED COMPANIES

The Bank does not follow (or implements partially) the following recommendations:

**Recommendation no. 10.1:** In assessing candidate’s eligibility for the position of Supervisory Board member, statutory criteria are applied. However, candidates don’t have a certificate evidencing their specialised professional competence for membership on a Supervisory Board, such as the Certificate of the Slovenian Directors’ Association, or any other relevant certificate. That said, all of the strict conditions have to be fulfilled according to banking legislature.

**Recommendation no. 12.2:** The Rules of Procedure of the Supervisory Board of NLB do not include the list of all types of transactions for which the Management Board needs prior approval of the Supervisory Board, but refer to Article 24 of the Articles of Association. These rules also do not include the Supervisory Board evaluation, education, and training of the members of the Supervisory Board. These provisions are part of other internal documents or decisions of the managing bodies.

**Recommendation no. 12.3:** The Rules of Procedure of the Supervisory Board of NLB do not include the scope of topics and timeframe to be respected by the Management Board in its periodic reporting of the Supervisory Board. However, the scope of topics and time frames of periodic reporting to the Supervisory Board are included in annual Action Plan of the Supervisory Board and Articles of Association. Professional services of the Bank take care that timely information is provided to the Supervisory Board.

**Recommendation no. 15.3:** NLB does not follow this recommendation because the President of the Supervisory Board is at the same time President of the Nominations Committee.

**Recommendation no. 17.1:** Members of the Supervisory Board don’t receive attendance fees, but are entitled to payment for performing their function.

**Recommendation no. 25.3:** The Bank does not follow the recommendation on rotation of audit companies (at least once every seven years), however, the Bank complies with the Banking Law (ZBan-2) that allows a longer period. Still, the audit firm did replace the audit partner responsible for the audit of NLB and the Group financial statements for year 2020.

**Recommendation no. 27.4:** NLB draws up its financial calendar which is published on its website (<https://www.nlb.si/financial-calendar>) and includes the date of the Annual General Meeting, even though it doesn’t provide information on the dividend payment date, which is announced in the publication of the Agenda and Proposed Resolutions to be passed at the Annual General Meeting (both documents published on <https://www.nlb.si/general-meetings>). The dividend payment date is determined based on KDD Operations Rules (Central Securities Clearing Corporation).

**Recommendation no. 29.3:** NLB does not have a programme of acquisition of own shares (in 2020 NLB didn’t buy any own shares and therefore didn’t need a programme of acquisition of own shares). Should NLB need to buy its own shares (e.g. for the purpose of paying variable remuneration in the form of own shares to its Identified Staff), it will draw it up.

**Recommendation no. 29.9:** NLB does not publish the rules of procedure of its bodies (Management Board and Supervisory Board and the General Meeting) on its website. However, each year the Bank discloses the composition, competences, and work of its managing bodies in the ‘Corporate Governance Statement of NLB’ and publishes it in the NLB Group Annual Report as well on Bank’s website.

## 3. MAIN FEATURES OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO FINANCIAL REPORTING

NLB is governed by the provisions of the Banking Act (ZBan-2) and the Regulation on Internal Governance Arrangements, the Management Body and the Internal Capital Adequacy Assessment Process for Banks and Savings Banks regulating, among other, the Bank’s obligation to set up, maintain appropriate internal control, and risk management systems. As a result of this, NLB has developed a steady and reliable internal governance system encompassing the following:

- A clear organisational structure with precisely defined, transparent, and consistent internal relations in the area of responsibility;
- Effective risk management processes for identifying; measuring or assessing; and managing and monitoring risks – including risk appetite, risk strategy, ICAAP, ILAAP, recovery plan and the reporting of risks to which the Group is exposed or could be exposed in its operations;
- Incorporating the main strategic risk guidelines into the annual business plan review, budgeting process, and other relevant decision-making;
- Suitable internal control mechanisms that include appropriate administrative and accounting procedures;
- The appropriate remuneration policies and practices that are in line with prudent and effective risk management, and thus promote risk management.

### 3.1. Internal control mechanisms

Suitability of the internal control mechanisms are determined by the independence, quality, and validity of:

- The rules for and controls of the implementation of the Bank’s organisational, business, and work procedures (**internal controls**), and
- The internal control functions and departments (**internal control functions**).

#### 3.1.1. Internal Controls

Internal controls should be put in place at all levels of the Bank’s organisational structure, especially the levels of commercial, control, and support functions, and at the level of each of the Bank’s financial services. In daily operations, the Bank follows the internal act System of Internal Controls, which sets the system of internal controls in NLB and responsibilities for its establishment, continuous performance, and its upgrading. On the organisational level, the Bank established middle-offices and back offices.

In the event of deficiencies, irregularities of breaches identified in the process of implementation of internal controls the breaches are discussed at the Operational Risk Committee and appropriate actions are taken. In the events of intentional breaches of the Bank’s rules as defined by the Group Code of Conduct, the events are handled according to the Integrity and Compliance Policy of NLB and NLB Group.

#### 3.1.2. Internal Control Functions

The internal control functions are part of the system of the internal governance in the Bank. Internal control functions include:

##### a) The Internal Audit Department

The Internal Audit function is organised according to the Charter on the Internal Audit of NLB adopted by the Management Board on 13 November 2018 (and supplemented on 13 August 2019), to which the Supervisory Board of NLB gave its approval (30 November 2018 and 6 September 2019).

The Charter of the Internal Audit of NLB is the umbrella document about the understanding and role of the Internal Audit in the Bank, which defines the purpose, powers, responsibilities, and tasks of the Internal Audit in line with the International Standards for the Professional Practice of Internal Auditing. The mentioned Charter lays down the position of the Internal Audit in the organisation, including the nature of the relationship between the functional responsibility of the Head of the Internal Audit to the supervisory body, grants authorisations to internal auditors for accessing records, employees, premises, and equipment relevant for performing their tasks, and defines the area and activities of the Internal Audit.

The Management Board has set up an independent internal audit function which gives assurances and advice about risk management, internal controls system, and management of the Bank. The mission and the principal task of the Internal Audit is to consolidate and secure the value of the Bank by issuing objective assurances based on risk assessment, with consultancy and deep understanding of the Bank’s operations. In addition to that, the Internal Audit carries out regular control of the quality of operation of the other internal audit departments in the Group and takes care of constant development of the internal auditing function.

Pursuant to the provisions of the law, the Bank has organised the internal audit as an independent organisational unit, primary responsible to the Supervisory Board of NLB and secondary to the Management Board of NLB.

The Supervisory Board of NLB must issue its approval of the appointment, remuneration, and dismissal of the Director of the Internal Audit, which ensures their independence and thus the independence of the work of the Internal Audit.

##### b) The Risk Management Function

The Risk Management Function is organised according to the Charter of the Risk Management Function of NLB adopted by the Management Board on 6 November 2015, in agreement with the Supervisory Board of NLB. The Charter on Functioning of the Risk Management Function of NLB is the framework document on understanding and role of the risk management function; it defines the purpose, validity, and method

14. The Companies Act (ZGD- 1; Official Gazette of the RoS, No. 42/06 and consecutive changes).

of operation, as well as the authorisations and responsibilities of the risk management function according to the requirements of the Banking Act (ZBan-2) and the Regulation on Internal Management Arrangements, Management Body, and Internal Capital Adequacy Assessment Process for Banks and Savings Banks.

The risk management function represents an important part of overall management and governance system in the Group. This function in NLB is organised within the Risk stream, covered by the member of the Management Board in charge of risk (CRO). The risk stream covers the following organisational units:

- Global Risk
- Corporate and Retail Credit Analysis Department
- Evaluation and Control
- Restructuring
- Non-Performing Loan Management Department and Recovery

The risk management function is performed by the Global Risk. In accordance with the competences, authorisations, and responsibilities, Global Risk is represented by its General Manager. The Global Risk is in functional and organisational terms separate from other functions where business decisions are adopted and where potential conflict of interest may arise with the risk management function. The head of the risk management function has direct access to the Management Board of the NLB and at the same time unhindered and independent access to the Supervisory Board of NLB and the Risk Committee of the Supervisory Board of the NLB.

In members of the Group, the risk management function is organised according to the local legislation, taking into account the bases for set-up, organisation, and activities in the area of risk management in the members, as defined in the document ‘Risk Management Standards in the NLB Group.’ The described standards on risk management provide the members of the Group the bases with which they have to align their organisation, strategic risk-taking guidelines, internal policies, methodologies, and reporting system.

Risk management and control is performed through a clear organisational structure with defined roles and responsibilities. The organisation and delineation of competencies is designed to prevent conflicts of interest, and to ensure a transparent and documented decision-making process that is subject to an appropriate upward and downward flow of information. Business line Risk Management in NLB, encompassing several professional areas, is in charge for formulating and controlling the Group’s risk management policies, setting limits, overseeing the harmonisation, regular monitoring of risk exposures and limits based on centralised reporting at the Group level. In contrast, the primary responsibility for managing the assumed risks in the Group members within centralised set limits lies with each Group member’s management board.

The Group puts great emphasis on the risk culture and awareness across the entire Group. The Group’s Risk management framework is forward-looking and tailored to its business model and corresponding risk profile.

**c) The Compliance, Information Security, and AML/CTF Functions**  
Compliance and Integrity in the Group in its role as internal control function performs control activities with respect to the main following areas:

- Anti-money laundering and counter-terrorist financing (separately for NLB and the Group)
- Information security and data protection
- Personal data protection
- Regulatory compliance management
- Prevention of fraud and internal investigations
- Security
- Development of compliance risk methodologies, and setting and monitoring ethics and integrity standards
- Harmonisation of policies and practices within the Group (Competence line Compliance and Integrity)

Compliance and Integrity is an organisational unit of the Bank, placed directly under the Bank’s Management Board in the organisational structure. The Bank adopted Integrity and Compliance Policy of the NLB and the NLB Group (Version 1, December 2016), which regulates the method and scope of the activities of the compliance function in the Bank. Separate policies regulate different areas which are organised within the Compliance and Integrity in NLB.

Supervision over compliance of operations is within the competence of the Compliance and Integrity. This enables the Compliance and Integrity to operate independently from other Bank’s departments. The director of Compliance and Integrity does not perform any other function at the Bank that could possibly lead to conflict of interests. To ensure his independence, the director reports to the Management Board and to a specific member of the Bank’s Management Board responsible for compliance area (including information security and AML/CTF functions), which additionally ensures independence of operation of the Compliance and Integrity.

As information security, AML/CTF and Group AML functions are organised within Compliance and Integrity, CISO, head of AML/CTF area for NLB and head of the Group AML are ensured full independence through equal reporting lines as the director of Compliance and Integrity, and have direct access and separate reporting line to the Bank’s Supervisory Board. Following NLB’s model, the compliance function has been established in the core members of the Group as well based on the Group standards for compliance and integrity area. Through specific binding standards in the area of compliance and integrity, there is a harmonised system of standards and practices in the area of compliance and integrity in place in the entire NLB Group, in core and non-core members.

**3.2. Financial reporting**

With the aim of ensuring appropriate financial reporting procedures, the Group pursues the adopted Policy on Accounting Controls. The accounting controls are provided through the operation of the complete accounting function with the purpose of ensuring quality and reliable accounting information, and thereby accurate and timely financial reporting. The principal identified risks in this area are managed with an appropriate system of authorisations, a segregation of duties, compliance with accounting rules, documenting of all business events, a custody system, posting on the day of a business event, in-built control mechanisms in source applications, and archiving pursuant to the laws and internal regulations. Furthermore, the policy precisely defines the primary accounting controls, performed in the scope of analytical bookkeeping, and secondary accounting controls, i.e., checking the efficiency of implementation of primary accounting controls. With an efficient mechanism of controls in the area of accounting reporting, the Group ensures:

- A reliable decision-making and operation support system
- Accurate, complete, and timely accounting data, the resulting accounting, and other reports of the Bank and the Group
- Compliance with legal and other requirements

**4. INFORMATION ON POINT 4, PARAGRAPH 5, OF THE ARTICLE 70 OF THE ZGD-1 regarding points 3, 4, 6, 8, and 9 of paragraph 6 in the same article**

Shareholder	Number of shares	Percentage of shares	Nature of ownership
RoS	5,000,001	25.00	shares
Brandes Investment Partners, L.P. <sup>Ⓐ</sup>	/	>5 and <10	GDRs
EBRD <sup>Ⓐ</sup>	/	>5 and <10	GDRs
Schroders plc <sup>Ⓐ</sup>	/	>5 and <10	GDRs

<sup>Ⓐ</sup> In the form of GDRs.

More information on the Bank’s Share Capital is available on the website: <https://www.nlb.si/shares>.

**An explanation regarding the holders of securities that carry special control rights (Point 4 of the sixth paragraph of Article 70 of the ZGD-1)**

The Bank did not issue any securities carrying special controlling rights.

**An explanation regarding restrictions related to voting rights, in particular: (i) restrictions of voting rights to a certain stake or certain number of votes, (ii) deadlines for executing voting rights, and (iii) agreements in which, based on the company’s cooperation, the financial rights arising from securities are separated from the rights of ownership of such securities (Point 6 of the sixth paragraph of Article 70 of the ZGD-1)**

The shares of the Bank are freely transferable, subject to the provisions of the Articles of Association of the Bank which require the approval of the Supervisory Board, namely for the transfer of shares of the Bank by which the acquirer, together with the shares held by the holder before such an acquisition and the shares held by third parties for the account of the acquirer, exceeds a 25% share of the Bank’s voting shares. Approval for the transfer of shares is issued by the Supervisory Board.

The Bank rejects the request for approval of transfer shares if the acquirer, together with the shares held by the acquirer before the acquisition and the shares held by third parties for the account of the acquirer, exceed the 25% share of the Bank with voting rights, increased by one share.

Notwithstanding the provision mentioned in the first paragraph, approval for the transfer of shares is not required if the acquirer of the shares has acquired them for third parties. So, it is not entitled to exercise voting rights from these shares at its sole discretion, while at the same time committing to the Bank that it will not exercise voting rights on the basis of the instructions of an individual third party for whose account it has acquired the shares if, together with the instructions for voting, it does not receive a written guarantee from that person that this person has shares for his own account

**An explanation regarding significant direct and indirect ownership of the company’s securities in the sense of achieving a qualified stake as determined by the act regulating acquisitions (Point 3 of the sixth paragraph of Article 70 of the ZGD-1)**

Significant direct and indirect ownership of the company’s securities in terms of achieving a qualifying holding as defined in the Takeovers Act (as at 31 December 2020):

and that this person is not, directly or indirectly, a holder of more than 25% of the Bank’s voting rights.

The acquirer who exceeds the share of 25% of the Bank’s shares with voting rights, and does not require the issuance of approval for the transfer of shares, or does not receive the approval of the Bank, may exercise the voting right from 25% of the shares with the voting rights.

There are no restrictions other than those mentioned and those that are regulatory.

**An explanation of the (i) company’s rules on appointment or replacement of members of the management of supervisory bodies, and (ii) changes to company’s Articles of Association (Point 8 of the sixth paragraph of Article 70 of the ZGD-1)**

**The appointment or replacement of members of the management or supervisory bodies**  
The Management Board of the Bank is comprised of three to seven members, one of whom is appointed President of the Management Board of the Bank, and one member may be a Worker Director. The number of Management Board members is determined by a resolution of the Bank’s Supervisory Board. The President and other members of the Management Board are appointed and recalled by the Supervisory Board of the Bank; the President of the Management Board may propose to the Chair of the Supervisory Board of the Bank to appoint or recall an individual member or the remaining members of the Management Board of the Bank. However, it is the Workers’ Council of the Bank that may propose to the Supervisory Board of the Bank to appoint or recall a Worker Director.

The President and members of the Management Board shall be appointed for a period of five years and may be re-appointed for another term of office. The President and members of the Management Board may be recalled prior to the expiry of their term of office in accordance with applicable laws and Articles of Association. Each member of the Management Board of the Bank may prematurely resign her/his term of office with a period of notice of three months. A written notice shall be delivered to the Chair of the Supervisory Board of the Bank. The notice

term may be shorter than three months if requested by the resigning member of the Management Board of the Bank in his/her notice and is subject to the approval of the Supervisory Board of the Bank.

A member of the Bank's Management Board may only be a person who fulfils the legally prescribed conditions for a management board member under the law on banking, and who obtained a licence from the BoS or the ECB – if executing the competences and tasks from Item (e) of paragraph 1 of Article 4 of Regulation (EU) no. 1024/2013 for the performance of the function of a bank's management board member under the law regulating banking. The Bank assesses every candidate following the Bank's Policy governing a Fit & Proper assessment prior to the appointment.

The Supervisory Board of the Bank consists of a total of 12 members, of which eight members represent the interests of shareholders and four members represent the interests of employees. Members representing the interests of shareholders shall be elected and recalled by the Bank's General Meeting from persons proposed by shareholders or the Supervisory Board of the Bank and members representing the interests of employees shall be elected and recalled by the Workers' Council of the Bank. Members of the Supervisory Board representing the interests of shareholders are elected by an ordinary majority of votes cast by shareholders.

The members of the Supervisory Board of the Bank are elected for the period lasting from the day of their election until the end of the Bank's annual general meeting of shareholders, which decides on the use of accumulated profit for the fourth business year since they have been elected, unless otherwise stipulated at the time of appointment of individual members.

The general meeting of the Bank may dismiss an individual or all members of the Supervisory Board (representatives of shareholders) even before the expiration of their term of office. A resolution on a dismissal shall be valid if adopted with at least a three-quarter majority of all votes cast.

The Supervisory Board of the Bank shall at its first meeting after an appointment elect from among its members a Chair and at least one Deputy Chair of the Supervisory Board of the Bank. A member representing the interests of employees cannot be elected Chair or Deputy Chair of the Supervisory Board of the Bank. All the supervisory board members shall be independent professionals as defined by the Articles of Association.

**Amendments to Articles of Association:**

A qualified majority of at least 75% of the votes cast by shareholders at the general meeting of the Bank's shareholders is required for the adoption of any amendments of the Articles of Association.

**An explanation regarding the authorisation of the members of the management, particularly authorisations to issue or purchase own shares (Point 9 of the sixth paragraph of Article 70 of the ZGD-1)**

The General Meeting of Shareholders of NLB on 10 June 2019 authorised the Management Board for redeeming treasury shares in the period of 36 months from the adoption of the resolution at the General Meeting. Pursuant to the provisions of the Banking Act (ZBan-2), NLB is required to pay out the variable remuneration of certain employees (in part) in NLB's shares. The authorisation is valid for acquiring up to 36,542 NLB

treasury shares, while the total percentage of shares acquired on the basis of this authorisation, together with the treasury shares already in possession of NLB, may not exceed 10% of NLB's share capital (2,000,000 shares). When disposing its treasury shares which NLB acquired on the basis of this authorisation, the pre-emptive right of the existing shareholders to acquire shares is excluded in full in case treasury shares are disposed of for the purpose of paying the variable part of remuneration to the employees of NLB in the form of NLB's shares.

**5. INFORMATION ON THE WORK AND KEY POWERS OF THE SHAREHOLDERS' MEETING AND OF ITS KEY POWERS, AND A DESCRIPTION OF SHAREHOLDERS' RIGHTS AND THE METHOD OF THEIR EXERCISING**

Competences of the Bank's General Meeting are stipulated in the Companies (ZGD-1), Banking Act (ZBan-2) and the Articles of Association. The General Meeting is a body of the Bank through which shareholders exercise their rights, which include among others: decisions on corporate changes (amendments of the Articles of Association, increase or decrease of share capital) and legal restructuring (mergers, acquisitions), adopt decisions on all statutory issues with respect to appointing and discharging members of the Supervisory Board (representatives of shareholders) and appointment of an auditor; distribution decisions (appropriation of distributable profit), and granting of a discharge from liability to the Management and Supervisory Board.

The General Meeting is convened by the Management Board. The General Meeting may be convened by the Supervisory Board in cases where the Management Board fails to convene the General Meeting or where when a convocation is necessary to ensure unhindered operations of the Bank. The Supervisory Board may amend the agenda of the General Meeting convened in line with the Articles of Association.

As a rule, the General Meeting of the Bank shall be convened at the registered office of the Bank, yet it may also be convened at another venue specified by the convenor. The Shareholders' Meeting shall adopt resolutions by simple majority of the votes cast, unless the applicable laws or the Bank's Articles of Association stipulate a larger majority or other conditions.

The shareholders have the right to participate at the general meeting of the Bank, the voting right, pre-emptive right to subscribe for new shares in case of share capital increase, the right to profit participation (dividends) and the right to a share in surplus in the event of liquidation or bankruptcy of the Bank and the right to be informed.

Based on Article 296 of the Companies Act (ZGD-1), NLB informs shareholders on their rights as shareholders in an Information on the Rights of Shareholders that is published among documents for convocation of each General Meeting (i.e., on expansion of the agenda, proposals by shareholders, voting proposals by shareholders, and the shareholders right to be informed).

With recent changes in the Articles of Association at the General Meeting, an amendment was adopted that enables the shareholders to attend the General Meeting without physical presence.

**6. INFORMATION ABOUT THE COMPOSITION AND WORK OF THE MANAGEMENT AND SUPERVISORY BODY AND ITS COMMITTEES**

**6.1. The Management Board**

**Composition of the Management Board**

The Management Board is the decision-making and representation body of the Bank. It manages the Bank, makes business decisions autonomously and independently, adopts the development strategy, ensures sound and effective risk management, acts with the highest professional integrity, protects business secrets, and is held accountable for the legality of the Bank's operations within the limits set by the relevant regulations.

At the beginning of 2020, the Management Board of the Bank consisted of Blaž Brodnjak, CEO; Archibald Kremser, CFO; Andreas Burkhardt, CRO; and László Pelle, COO. László Pelle and the Supervisory Board agreed on the termination of his office as at 31 January 2020. In order to assure continuation of the function of COO, the Supervisory Board appointed Petr Brunclík as member of the Management Board, who joined NLB on 2 February 2020 in a function of Executive Assistant to the Management Board. He assumed his function as COO on 18 May 2020, upon receiving a consent by the ECB on 13 May 2020. On 12 November 2020, the Supervisory Board reappointed Blaž Brodnjak as the CEO, Archibald Kremser as the CFO, and Andreas Burkhardt as CRO of NLB.

Following the already mentioned decision of the Constitutional Court of the RoS in June 2019, the Bank was required to enable workers participation in its governing bodies. For that purpose, an amendment to its Articles of Association was adopted at General Meeting of Shareholder on 15 June 2020 that enables a right of the Bank's employees to one member of the Management Board (the Worker Director).

**Work of the Management Board**

After the successfully completed privatisation process of NLB and the fulfilment of the highly limiting commitments to the EC by the end of 2019, the Management Board in 2020 began creating new opportunities for future growth so that the Bank intensified activities on digitalisation and modernisation of processes and services of the entire NLB Group, increasing the range of customer services and the improvement of efficiency. From February 2020, the Management Board took all necessary actions in order to lower the impact and consequences of COVID-19 pandemic. Through the year, the Management Board worked on activities that resulted in purchase of Komercijalna banka a.d. Beograd (Komercijalna Banka, Beograd) in December 2020.

Detailed information on the composition and amount of remuneration of the Management Board is contained in Appendices C.1 and C.3 of this statement.

**6.2. The Supervisory Board**

In accordance with the two-tier governance system, the Bank's Supervisory Board issues approvals to the Management Board related to the Banks' business policy and financial plan, approves the strategy of the Bank and the Group, the internal control system organisation, gives consent to the Annual Plan of the Internal Audit, as well as financial transactions defined in the Articles of Association. The Supervisory Board acts in accordance with the highest ethical standards of management, considering the prevention of conflicts of interest. The Supervisory Board performs its tasks in accordance with the provisions of the applicable legislation governing the operations of

banks and companies, the Bank's Articles of Association, and its Rules of Procedure of the Supervisory Board of NLB. The Supervisory Board may engage legal and other consultants and institutions required by itself or its committees to perform their tasks.

**Composition of the Supervisory Board**

As the term of office of four members of the Supervisory Board of NLB expired in 2020, the General Meeting of Shareholders on 15 June 2020 adopted the decision to elect new members. Primož Karpe and David Eric Simon were re-elected for a new term of office, while the term of office of László Urbán and Alexander Bayr expired. Additionally, Verica Trstenjak was elected as a member of the Supervisory Board. All three members were appointed for a four-year term, which began on the day of their appointment and shall last until the conclusion of the Annual General Meeting of NLB that decides on the allocation of distributable profit for the fourth financial year after their election, counting the year in which they were appointed as the first one.

At the same General Meeting, the shareholders also adopted amendments to the Articles of Association, which based on Constitutional Court's decision adopted in June 2019, enabled workers' participation in the management bodies. With the mentioned decision, the Constitutional Court annulled the fourth paragraph of Article 33 of the Banking Act (ZBan-2), which stipulated that the provisions of the Law Governing the Participation of Workers in Management with respect to employee representatives in a bank's managing bodies would not apply to banks. In accordance with changes made to the Articles of Association, the Supervisory Board consists of 12 members, out of which eight are representatives of the capital and four are employee representatives (elected and appointed by the Workers' Council of NLB).

In June 2020, the Workers' Council of NLB elected and appointed Petra Kakovič Bizjak, Sergeja Kočar, and Bojana Šteblaj as members of the Supervisory Board of NLB – representatives of employees. Their four-year terms of office began on the day of the registration of the changes to the Articles of Association into the court register (17 June 2020).

On 26 June 2020, members of the Supervisory Board of NLB elected Primož Karpe as Chairman of the Supervisory Board for the second consecutive time, while Andreas Klingen was re-elected as Deputy. At that point, the Supervisory Board of NLB consisted of 11 members, of which eight were representatives of shareholders (in addition to Primož Karpe and Andreas Klingen, members were also Gregor Rok Kastelic, Mark William Lane Richards, Shrenik Dhirajlal Davda, Peter Groznik, David Eric Simon, and Verica Trstenjak) and three were representatives of employees (Petra Kakovič Bizjak, Sergeja Kočar, and Bojana Šteblaj). Due to the changed membership, the Supervisory Board also appointed members to its five committees.

Given the fact that the changed Articles of Association allowed up to four employee representatives to the Supervisory Board of the NLB, the Workers' Council published a call for the election and appointment of one more member – an employee representative. While this process was still ongoing, on 1 September 2020, the Bank received a letter of resignation from Petra Kakovič Bizjak, member of the Supervisory Board – the employee representative. Her mandate was terminated by agreement with the Supervisory Board on 10 September 2020. The procedure for one



member of the Supervisory Board – the worker representative was still ongoing at the end of December 2020.

On 20 November 2020, the Bank received information that the Workers’ Council elected Janja Žabjek Dolinšek as member of the Supervisory Board – the worker representative. Her term of office started on 20 November 2020 and will run until the conclusion of the Annual General Meeting of NLB that decides on the allocation of distributable profit for the fourth financial year after her election, counting the year in which she was appointed as the first one. Procedure for election of another member of the Supervisory Board – the worker representative was still ongoing at the end of December 2020.

**Work of the Supervisory Board**

In 2020, the Supervisory Board met at seven regular and 12 correspondence sessions and took note of or adopted the following major decisions:

- Annual NLB Group Report for 2019; Report of the Supervisory Board of NLB on the Results of Examining the Annual NLB Group Report for 2019; Corporate Governance Statement of NLB; Risk Management Statement of NLB; Annual Report of Internal Audit for 2019;
- Corporate Social Responsibility Report for 2019 with a Statement on non-financial operations of the NLB Group for 2019;
- Proposal to convene the regular General Meeting of NLB for 15 June 2020;
- NLB Group Budget 2021 and financial projections 2022-25; Interim Reports on the NLB Group Operations;
- Acquisition of the Komercijalna Banka, Beograd;
- COVID-19 – Initial Credit Risk Impact Analysis; NLB Group wide COVID-19 implications with regulatory and governmental measures;
- NLB Group Risk Appetite; NLB Group Risk Strategy; Regular risk reports for NLB and NLB Group; Regular Risk and Capital Management - Pillar III disclosures, NLB Group Recovery plan 2020; Report on the Top 50 groups of clients by exposure in the NLB Group, Restructuring TOP 20; Management of largest restructuring cases; Overview of the recommendations issued to external providers; Information on status of information security in NLB; Rules on the Relations of NLB and the Audit Committee with the Audit Firm; ILAAP – Internal liquidity adequacy process;
- Internal Audit Plan (2021 & long - term plan), Re-plan of Internal Audit Plan 2020, Overall Opinion of Internal Audit for 2019, Action Plan for the Compliance and Integrity for 2021, Annual Assessment on Risks in the Area of Compliance and Integrity for NLB and NLB Group; Regular periodic reports on Internal Audit; Compliance and Security and on Information Security Assurance in NLB;
- Reports on the Documents received from the BoS and the ECB; Reports on the implementation of the requirements of the BS and ECB and on the implementation of the requirements;
- Achievements of the goals of the Management Board in 2019 and Defined goals of the Management Board for 2020, Management Board Evaluation – Method 360; Fit & Proper list of candidates for members of the Supervisory Board; Fit & Proper Assessment of candidate for the member of the Supervisory Board – Workers Representative; Self-assessment of the employees performing special work; Training Plan for 2020;
- NLB Workers’ Council Status Report on workers’ cooperation in managing proposed measures;

- Final Monitoring Trustee Report for the Reporting Period July – December 2019;
- Amendments to the Corporate Governance Policy of the NLB; Changes in Rules and Procedures of the Risk Committee; Changes in Rules and Procedures of Operations and IT Committee;
- IT Strategy; CBS Strategy; Data Centre Strategy update; NLB Group Data Management Project; HR status in IT, Information on activities for information security assurance in NLB, Plan for KB, Subsidiaries IT landscape;
- Decisions on concluding legal transactions with MIGA, Washington, establishment of new companies (NLB Cultural Heritage Management Institute), large exposures, sale of receivables, write-offs of claims, divestment of NLB (Vita d.d., company BH-RE d.o.o., Sarajevo), major legal proceedings involving NLB and NLB Group members, approval of transactions with persons in special relations with the Bank, etc.

Composition and the amount of remuneration of the Supervisory Board members is described in the Appendices C.2 and C.4 of this statement.

**6.3. The Supervisory Board Committees**

All five Committees for the Supervisory Board function as consulting bodies of the Supervisory Board of NLB and discuss the material and proposals of Management Board of NLB for the Supervisory Board meetings related to a particular area. The Supervisory Board has the following committees.

- The Audit Committee
- The Risk Committee
- The Nomination Committee
- The Remuneration Committee
- The Operations and IT Committee

Committees are composed of at least three members of the Supervisory Board. The Works Council can nominate one Supervisory Board member – representative of workers into each committee. The Chair of the Committee may only be appointed from among the members of the Supervisory Board. The term of office of Chair, the Deputy Chair, and members of the Committee should not exceed their term of office as Supervisory Board members.

Composition of the aforementioned Committees in 2020 is described in detail in the Appendix C.2 of this statement.

**6.3.1. The Audit Committee of the Supervisory Board of NLB**

The Audit Committee monitors and prepares draft resolutions for the Supervisory Board on accounting reporting, internal control and risk management, internal audit, compliance, and external audit, and as well monitors the implementation of regulatory measures.

From 1 January 2020, the composition of the committee was as follows: David Eric Simon (Chairman), Alexander Bayr (Deputy Chairman), Primož Karpe, Shrenik Dhirajlal Davda, and Gregor Rok Kastelic (members). From 26 June 2020, the composition of the committee was as follows: David Eric Simon (Chairman), Shrenik Dhirajlal Davda (Deputy Chairman), Primož Karpe, Gregor Rok Kastelic, Verica Trstenjak (resigned from Audit Committee function on 18 December 2020) and Petra Kakovič Bizjak (until 20 September 2020) – as members.

The Audit Committee’s tasks are defined by law, the Bank’s Articles of Association, Rules of Procedure of the Audit Committee of the Supervisory Board of NLB, resolutions of the Supervisory Board, and other regulations from which the Committee especially monitors and prepares proposals of resolutions for the Supervisory Board for the area:

- Accounting and financial reporting
- Internal control and risk management
- Internal audit
- Compliance of operations
- External audit

There were seven regular sessions and three correspondence sessions of the Audit Committee in 2020. Following is a summary of key topics considered by the Audit Committee:

- Confirmation of NLB Group 2019 Annual Report, Overall Opinion of Internal Audit for 2019, Corporate Governance Statement of NLB, Statement on Management of Risk of the NLB, NLB Group Annual CSR Report for 2019;
- Annual Report on the Work of Compliance and Integrity, Annual Assessment on Risks in the Area of Compliance and Integrity;
- Regular interim reports on the operations of the NLB Group, quarterly Internal Audit Reports, Compliance and Integrity Reports, Reports on Information security assurance in NLB;
- Re-plan of Internal Audit Plan 2020, Internal Audit Plan (2021), Work Plan of the Compliance and Integrity for 2021, Regular reports on overdue material recommendations of the Internal Audit, Reports on the documents received from BoS and ECB and on the implementation of the requirements of the BoS and ECB;
- Amendments to the Internal Auditing Manual, Rules on the relations of NLB and the Audit Committee with the audit firm, Audit Committee Self-Evaluation for 2019.

Responsibilities of the committee are defined in Rules of Procedure of the Audit Committee of the Supervisory Board of NLB.

**6.3.2. The Risk Committee of the Supervisory Board of NLB**

The Risk Committee monitors and drafts resolutions for the Supervisory Board in all risk areas relevant to the Bank’s operations. It is consulted on the current and future risk appetite and the risk management strategy; and helps carry out control over senior management concerning implementation of the risk management strategy.

From 1 January 2020, the composition of the committee was as follows: Andreas Klingen (Chairman), László Urbán (Deputy Chairman), Peter Groznik, Mark William Lane Richards and David Eric Simon (members). From 26 June 2020, the composition of the committee was as follows: Andreas Klingen (Chairman), Peter Groznik (Deputy Chairman), Mark William Lane Richards, Gregor Rok Kastelic and David Eric Simon (members).

There were five regular sessions of the Risk Committee in 2020. Following is a summary of key topics considered by the Risk Committee:

- Risk report for 2019, a Statement of Management of Risk of the NLB;
- Regular quarterly risk reports of NLB and the NLB Group;
- Risk and Capital Management - Pillar III quarterly disclosures;

- NLB Group Risk Strategy, Amendment to Risk Appetite, NLB Group Risk Appetite, Internal Liquidity Adequacy Process (ILAAP), The Internal Capital Adequacy Assessment Process (ICAAP) in NLB Group, NLB Group Non-performing Exposure and Foreclosed Assets Strategy for 2020 -2024, NLB Group Recovery Plan 2020;
- COVID-19 – Initial Credit Risk impact analysis and quarterly information update;
- Quarterly Information on status of information security in NLB;
- Report on Top 50 groups of clients by exposure in the NLB Group;
- Report on Top 20 largest restructuring cases;
- Proposal for the issuance of prior consent of the Supervisory Board of NLB, in accordance with the first paragraph of article 164 of Banking Act (ZBan-2), for a legal transaction based on which the Bank’s total exposure to individual client or a group of related clients would reach or exceed 10% of the Bank’s eligible capital (or if it increases by each subsequent 5% of the Bank’s eligible capital), consents to early repayments and final write-offs;
- Report on the material court proceedings for NLB and NLB Group members;
- Proposed changes in Rules and Procedures of Risk Committee of the Supervisory Board of NLB.

Responsibilities of the committee are defined in Rules of Procedure of the Risk Committee of the Supervisory Board of NLB.

**6.3.3. The Nomination Committee of the Supervisory Board of NLB**

The Nomination Committee drafts proposed resolutions for the Supervisory Board concerning the appointment and dismissal of the Management Board members; recommends candidates for Supervisory Board members; recommends to the Supervisory Board the dismissal of members of the Management Board and the Supervisory Board (representatives of capital); prepares the content of executive employment contracts for the President and members of the Management Board; evaluates the performance of the Management Board and the Supervisory Board; and assesses the knowledge, skills, and experience of individual members of the Management Board and Supervisory Board and the bodies as a whole.

From 1 January 2020, the composition of the committee was as follows: Primož Karpe (Chairman), Andreas Klingen (Deputy Chairman), Alexander Bayr, Peter Groznik, and Mark William Lane Richards (members). From 26 June 2020, the composition of the committee was as follows: Primož Karpe (Chairman), Andreas Klingen (Deputy Chairman), Verica Trstenjak, Peter Groznik, and Sergeja Kočar (members).

There were eight regular sessions and one correspondence session of the Nomination Committee in 2020. Following is a summary of key topics considered by the Nomination Committee:

- Assessment of suitability of the candidates for members of the Supervisory Board of NLB
- NLBs MB evaluation – Method 360
- Proposal for the reappointment of the president and two members of the Management Board of NLB.

Responsibilities of the committee are defined in Rules of Procedure of the Nomination Committee of the Supervisory Board of NLB.

6.3.4. The Remuneration Committee of the Supervisory Board of NLB

The Remuneration Committee carries out expert and independent assessments of the remuneration policies and practices, and formulates initiatives for measures related to improving the management of the Bank’s risks, capital, and liquidity; prepares proposals for remuneration-related decisions of the Supervisory Board; and supervises the remuneration of senior management performing the risk management and compliance functions.

From 1 January 2020, the composition of the committee was as follows: Alexander Bayer (Chairman), László Urbán (Deputy Chairman), Shrenik Dhirajlal Davda, and Gregor Rok Kastelic (members). From 26 June 2020, the composition of the committee was as follows: Gregor Rok Kastelic (Chairman), Mark William Lane Richards (Deputy Chairman), Shrenik Dhirajlal Davda, Sergeja Kočar and Peter Groznik (members).

There were five sessions of the Remuneration Committee in 2020. Following is a summary of key topics considered by the Remuneration Committee:

- Realisation of goals of Management Board of NLB for 2019 and information on proposed goals for 2020
- Self-assessment of the employees performing special work
- Information on salary raise of the members of the Management Board in NLB Group and senior management in NLB
- Proposal regarding salaries and benefits of the members of the Management Board
- Assessment of performance and proposed variable part of remuneration for directors of Internal Audit, Compliance and Integrity and Global Risk.

Responsibilities of the committee are defined by Rules of Procedure of the Remuneration Committee of the Supervisory Board of NLB.

6.3.5. The Operations and IT Committee of the Supervisory Board of NLB

The Committee monitors and prepares draft resolutions for the Supervisory Board, whereby the main tasks are the following: it monitors the implementation of the IT Strategy, Information Security Strategy, as well as Operations Strategy; it monitors key operations and IT KPI’s and service quality indicators; monitors key operations and IT projects and initiatives; monitors operating risks in the area of Operations, IT and Security; monitors the recommendations for ensuring and increasing the level of information/cyber security issued by CISO, addresses the report on potential violations, events and incidents in the area of IT security; and monitors the Target Operating Model implementation in the areas of IT, the Security Operating System, Competence Centre and Operations.

From 1 January 2020, the composition of the committee was as follows: Mark William Lane Richards (Chairman), Shrenik Dhirajlal Davda (Deputy Chairman), Primož Karpe, Andreas Klingen, and László Urbán (members). From 26 June 2020, the composition of the committee was as follows: Mark William Lane Richards (Chairman), Shrenik Dhirajlal Davda (Deputy Chairman), Primož Karpe, Andreas Klingen, and Bojana Šteblaj (members).

There were five sessions of the Operations and IT Committee 2020. The Operations and IT Committee took note of:

- IT Strategy, CBS Strategy
- ECB Action plan, ECB recommendations
- NLB Group Data Management Project
- Regular HR status in IT
- Quarterly Information on activities for information security assurance in NLB
- IT Security Dashboard, OPS Dashboard, Business Dashboard
- Subsidiaries IT landscape
- Proposed changes in Rules of Procedures of Operations and IT Committee.

Responsibilities of the committee are defined by Rules of Procedure of the Operations and IT Committee of the Supervisory Board of NLB.

7. DESCRIPTION POLICY ON THE PROVISION OF DIVERSITY OF THE MANAGEMENT BODY AND SENIOR MANAGEMENT

Second version of Policy on the Provision of Diversity of the Management Body and Senior Management was adopted by the General Meeting of Shareholders on 10 June 2019. With the mentioned Policy, NLB sets the framework in the area of diversity of an adequate representation of both genders, with regard to education, range of knowledge, skills and experience, age, gender, and international experience. The Provisions Policy on the Provision of Diversity of the Members of the Supervisory Board was extended on the members of the Management Board, while the goals of the Policy shall also be reasonably applied to the provision of diversity of the senior management.

The Bank implements the principles of this policy through other policies and procedures, namely the Policy on the selection of suitable candidates for members of the Supervisory Board and the Policy on the selection of suitable candidates for members of the Management Board, as well as procedures of the Nomination Committee of the Supervisory Board. Key criteria for selection of candidates were supplemented by criteria that include experience, reputation, management of potential conflict of interests, independence, time availability, and conditions for achieving collective suitability of the Supervisory Board.

In practice, diversity is ensured through the procedures for nominating and appointing members to the management and supervisory bodies. While other criteria of diversity were met, as far as gender criteria is concerned,

there were no female representatives in the composition of the Supervisory Board in the first half of 2020. Even though selection process for four new members of the Supervisory Board was open to candidates of both genders, at the regular General Meeting of Shareholders on 15 June 2020, only one female representative was elected as member of the Supervisory Board of NLB. However, with recent changes regarding workers participation in managing bodies of banks, three female worker’s representatives were elected to the position by the Workers Council on 17 June 2020. Since one worker’s representative resigned, the Workers Council elected another female representative on 20 November 2020 (and after the business year 2020, on 22 January 2021, yet another female representative was selected). Currently, out of 12 members of the Supervisory Board, five representatives are females.

At the beginning of 2020, the Management Board of the Bank consisted of four male representatives. Even though one member resigned from his post, and the selection process was open to both genders, he was replaced with another male representative in May 2020. In 2021, the selection process for a worker’s representative in the Management Bord is planned, according to the agreement between the Management Board and the Workers Council that will be open to candidates of both genders.

The diversity policy is reviewed by the Nomination Committee of the Supervisory Board, while the Management Board reviews the diversity policy of the senior management.

Ljubljana, 8 April 2021

Supervisory Board of NLB

  
**Primož Karpe**  
Chairman

Management Board of NLB

  
**Archibald Kremser**  
CFO

  
**Andreas Burkhardt**  
CRO

  
**Petr Brunclík**  
COO

  
**Blaž Brodnjak**  
CEO & CMO

Table 37: Composition of Management in financial year 2020 (C.1)

Name and Surname	Position held (president, member)	Area of work covered within the Management Board	First appointment to the position	Conclusion of the position/term of office	Citizenship	Year of birth	Qualification	Professional profile	Membership in supervisory bodies in companies not related to the company
Blaž Brodnjak	President	CEO	6 July 2016	5 July 2021 <sup>®</sup>	Slovene	1974	MBA	Banking/Finance	Banks' Association of Slovenia AMCham Slovenia Handball Federation of Slovenia
Andreas Burkhardt	Member	CRO	18 September 2013	5 July 2021 <sup>®</sup>	German	1971	MBA	Banking/Finance	
Archibald Kremser	Member	CFO	31 July 2013	5 July 2021 <sup>®</sup>	Austrian	1971	MBA	Banking/Finance	
Petr Brunclik	Member	COO	18 May 2020	17 May 2025	Czech	1979	MSc	Information technologies and applied informatics	
László Pelle	Member	COO	26 October 2016	31 January 2020	Hungarian	1966	MSc	Banking Operations and IT Management	

<sup>®</sup> On 12 November 2020, the Supervisory Board extended the mandate by a period of five years until 2026.

Table 38: Composition of Supervisory Board and Committees in financial year 2020 (C.2)

Name and Surname	Position held (president, deputy president, member)	First appointment to the position	Conclusion of the position / term of office	Representative of the company's capital structure /employees	Attendance at SB session in regard to the total number of SB session (for example 5/7) applicable on his/her mandate	Gender	Citizenship	Year of birth	Qualification	Professional profile	Independence under Article 23 of the Code (YES/NO)	Existence of conflict of interest, in the business year (YES/NO)	Membership in supervisory bodies in other companies or institutions
Primož Karpe	President	10 February 2016	2024	Representative of the company's capital structure	7/7	male	Slovene	1970	MSc	Banking/Finance	YES	YES	
Andreas Klingen	Deputy President	22 June 2015	2023	Representative of the company's capital structure	6/7	male	German	1964	University Degree	Banking/Finance	YES	NO	Kyrgyz Investment and Credit Bank CISC, Credit Bank of Moscow PJSC, Nepi Rockcastle plc
Alexander Bayr	Member	4 August 2016	15 June 2020	Representative of the company's capital structure	4/4	male	Austrian	1960	University Degree	Banking/Finance	YES	NO	WKBG Bank, Vienna
David Eric Simon	Member	4 August 2016	2024	Representative of the company's capital structure	7/7	male	British	1948	Higher National Diploma in Business Studies	Banking/Finance	YES	NO	Jihlavan a.s., Central Europe Industry Partners a.s.
László Urbán	Member	10 February 2016	15 June 2020	Representative of the company's capital structure	3/4	male	Hungarian	1959	PhD	Banking/Finance	YES	NO	Ukreximbank, Ukraine
Peter Groznik	Member	8 September 2017	2021	Representative of the company's capital structure	7/7	male	Slovene	1971	PhD	Finance, industry, investment banking	YES	NO	MSIN d.o.o., Ljubljana, CETIS d.d., Ljubljana
Mark William Lane Richards	Member	10 June 2019	2023	Representative of the company's capital structure	7/7	male	British	1966	MSc	Banking/Finance	YES	NO	CIB Bank Egypt, Sheffield Haworth Ltd, Vencap International
Shrenik Dhirajlal Davda	Member	10 June 2019	2023	Representative of the company's capital structure	7/7	male	British	1960	MSc	Finance	YES	NO	Ukrgasbank, Kyiv, Ukraine, Meghraj Capital Ltd, Kenya
Gregor Rok Kastelic	Member	10 June 2019	2023	Representative of the company's capital structure	7/7	male	Slovene	1968	MSc	Banking/Finance	YES	NO	
Verica Trstenjak	Member	15 June 2020	2024	Representative of the company's capital structure	3/3	female	Slovene	1962	PhD	Law	YES	NO	EU Agency for Fundamental Rights, Vienna
Petra Kakovič Bizjak	Member	17 June 2020	10 September 2020	Representative of the company's employees	2/2	female	Slovene	1985	University Degree	IT	YES	NO	
Sergeja Kočar	Member	17 June 2020	2024	Representative of the company's employees	3/3	female	Slovene	1968	MSc	Management	YES	NO	
Bojana Šteblaj	Member	17 June 2020	2024	Representative of the company's employees	3/3	female	Slovene	1962	MSc	Management	YES	NO	
Janja Žabjek Dolinšek	Member	20 November 2020	2024	Representative of the company's employees	0/0	female	Slovene	1957	MSc	IT	YES	NO	

Name and Surname	Membership in committees (audit, nominal, income committee, etc.)	First appointment to the position	Conclusion of the position/term of office	President/Member	Attendance at sessions of SB's Committees in regard to the total number of SB's session (applicable on his/her mandate)
László Urbán	Remuneration Committee	6 October 2017	15 June 2020	Member/Deputy President	3/3
Alexander Bayr	Remuneration Committee	1 March 2019	15 June 2020	President	3/3
Shrenik Dhirajlal Davda	Remuneration Committee	28 June 2019	2023	Member	6/6
Gregor Rok Kastelic	Remuneration Committee	28 June 2019	2023	Member/President	6/6
Mark William Lane Richards	Remuneration Committee	26 June 2020	2024	Deputy President	3/3
Peter Groznik	Remuneration Committee	26 June 2020	2024	Member	3/3
Sergeja Kočar	Remuneration Committee	26 June 2020	2024	Member	3/3
Primož Karpe	Nomination Committee	15 April 2016	2024	President	8/8
Andreas Klingen	Nomination Committee	19 February 2016	2023	Deputy President	7/8
Alexander Bayr	Nomination Committee	6 October 2017	15 June 2020	Member	4/4
Peter Groznik	Nomination Committee	6 October 2017	2021	Member	8/8
Mark William Lane Richards	Nomination Committee	28 June 2019	26 June 2020	Member	4/4
Verica Trstenjak	Nomination Committee	26 June 2020	2024	Member	4/4
Sergeja Kočar	Nomination Committee	26 June 2020	2024	Member	4/4
David Eric Simon	Audit Committee	7 April 2016	2024	President	7/7
Alexander Bayr	Audit Committee	26 August 2016	15 June 2020	Deputy President	3/3
Primož Karpe	Audit Committee	15 April 2016	2024	Member	7/7
Shrenik Dhirajlal Davda	Audit Committee	28 June 2019	2023	Member/Deputy President	7/7
Gregor Rok Kastelic	Audit Committee	28 June 2019	2023	Member	7/7
Petra Kakovič Bizjak	Audit Committee	26 June 2020	10 September 2020	Member	1/2
Verica Trstenjak	Audit Committee	26 June 2020	18 December 2020	Member	3/4
Andreas Klingen	Risk Committee	19 February 2016	2023	President	4/5
László Urbán	Risk Committee	26 August 2016	15 June 2020	Deputy President	3/3
Peter Groznik	Risk Committee	06 October 2017	2021	Member/Deputy President	5/5
David Eric Simon	Risk Committee	7 April 2016	2024	Member	5/5
Mark William Lane Richards	Risk Committee	28 June 2019	2023	Member	5/5
Gregor Rok Kastelic	Risk Committee	26 June 2020	2023	Member	2/2
Mark William Lane Richards	Operational and IT Committee	28 June 2019	2023	President	5/5
Shrenik Dhirajlal Davda	Operational and IT Committee	28 June 2019	2023	Deputy President	5/5
László Urbán	Operational and IT Committee	28 June 2019	15 June 2020	Member	3/3
Andreas Klingen	Operational and IT Committee	28 June 2019	2023	Member	4/5
Primož Karpe	Operational and IT Committee	15 April 2016	2024	Member	5/5
Bojana Šteblaj	Operational and IT Committee	26 June 2020	2024	Member	2/2

External member in committees (audit, nominal, income committee, etc.) - The Banking Act (ZBan-2) that came into effect on 13 May 2015 contains provision stipulating that, irrespective of provision of Companies Act (ZGD-1) only members of the Supervisory Board can be appointed to Supervisory committees.

Name and Surname	Attendance at sessions of SB's Committees in regard to the total number of SB's session (for example 5/7)	Gender	Qualification	Year of birth	Professional profile	Membership in supervisory bodies in companies not related to the company
none						

Table 39: Composition and amount of remuneration of the Management Board members in the financial year 2020 (C.3)

Name and Surname	Position held (president/ member)	Fixed income -gross (1)	Variable income - gross		Total (2)	Deferred income (3)	Severance pay (4)	Bonuses (5)	'Draw-back' (6)	Total gross (1+2+3+4+5-6)	Total net <sup>①</sup>
			on the basis of quantity criteria	on the basis of quality criteria							
Blaž Brodnjak	President	384,734.20					0.00	2,250.22	0.00	386,984.42	166,906.55
Archibald Kremser	Member	366,483.83					0.00	24,331.19	0.00	390,815.02	169,095.43
Andreas Burkhardt	Member	352,795.83					0.00	17,861.15	0.00	370,656.98	161,243.90
László Pelle	Member	57,623.68					258,750.00	4,343.14	0.00	61,966.82	178,294.80
Petr Brunclik	Member	170,516.86					0.00	20,647.48	0.00	191,164.34	82,200.15

<sup>①</sup> This chart does not include other benefits and cost refunds

Table 40: Composition and amount of remuneration of members of the Supervisory Board and committee members in the financial year 2020 (in EUR) (C.4)

Name and Surname	Position held (president, deputy president, member, external member of a Committee)	Payment for the performance of services - gross per year (1)	Attendance fees for SB and committees - gross per year (2)	Total gross (1+2)	Total net <sup>①</sup>	Travel expenses
Primož Karpe	President	89,583.34		89,583.34	69,427.09	8,234.86
Andreas Klingen	Deputy President	84,000.00		84,000.00	84,000.00	2,690.20
László Urbán	Member	31,875.00		31,875.00	20,997.65	1,455.56
Alexander Bayr	Member	36,000.00		36,000.00	27,900.00	2,799.18
David Eric Simon	Member	75,000.00		75,000.00	49,406.24	6,455.10
Peter Groznik	Member	66,000.00		66,000.00	48,001.76	429.26
Mark William Lane Richards	Member	75,000.00		75,000.00	49,406.24	3,617.40
Shrenik Dhirajlal Davda	Member	66,000.00		66,000.00	43,477.52	3,917.12
Gregor Rok Kastelic	Member	70,625.00		70,625.00	46,524.21	4,239.12
Verica Trstenjak	Member	33,933.34		33,933.34	22,353.60	0.00
Sergeja Kočar	Member	5,661.92		5,661.92	4,117.91	152.70
Bojana Šteblaj	Member	5,255.08		5,255.08	3,822.01	457.20
Janja Žabjek Dolinšek	Member	169.48		169.48	123.26	0.00
Petra Kakovič Bizjak	Member	7,302.20		7,302.20	5,310.88	177.51

<sup>①</sup> After the prepayment of income taxes which is not taken into account in potential subsequent balancing payments of personal income taxes.