Pursuant to Article 86 of the Law on Banks, Article 41 of the Articles of Association of Universal Investment Bank AD Skopje and the Decision on amending and supplementing the Articles of Association of Universal Investment Bank AD Skopje No. 0201/4-13/2023 of September 15, 2023 adopted by the Shareholders’ Assembly of Universal Investment Bank AD Skopje at its meeting held on September 15, 2023, The Supervisory Board of Universal Investment Bank AD Skopje, at its meeting held on September 29, 2023, adopted the following consolidated text of the Articles of Association of Universal Investment Bank AD Skopje:

**ARTICLES OF ASSOCIATION**

**OF UNIVERSAL INVESTMENT BANK AD SKOPJE**

(CONSOLIDATED TEXT)

**GENERAL PROVISIONS**

Article 1

 Universal Investment Bank AD Skopje (hereinafter referred to as the Bank) is a legal entity incorporated as a joint stock company with registered office in the Republic of North Macedonia for the purpose of carrying out banking activities as specified by law and these Articles of Association.

Article 2

 These Articles of Association shall regulate the following:

* general provisions;
* the Bank’s name and head office;
* the Bank’s financial activities;
* the Bank’s share capital;
* shareholders’ rights, obligations, and responsibilities;
* determination of the financial result, allocation of profits and loss coverage;
* supervision standards;
* statutory changes;
* insurance of individuals’ deposits;
* money laundering prevention;
* the Bank’s organization and operations;
* the Bank management and procedure for establishing management bodies;
* conflict of interest;
* procedure for adopting and amending the Bank’s Articles of Association and other internal regulations of the Bank;
* business secret;
* provision of information and reports;
* resolution of disputes between the Bank’s shareholders;
* internal control system and control functions;
* recognition and reward policy;
* environmental and social responsibility;
* termination of the Bank’s operations; and
* transitional and final provisions.

**BANK’S NAME AND HEAD OFFICE**

Article 3

 The name of the Bank shall be:

**Univerzalna Investiciona Banka AD Skopje**.

 The name of the Bank in English shall be:

**Universal Investment Bank AD Skopje**.

 The Bank’s head office is located in Skopje at 6, Maksim Gorki Str.

 The abbreviated name of the Bank is: **UNI*banka***, or in English: **UNIbank**.

Article 4

 The Bank’s name is written in Macedonian language using the Cyrillic alphabet, and in case of foreign operations, the name of the Bank shall be written using the Latin alphabet.

Article 5

 In its operations, the Bank shall use a seal and a stamp containing both the name and head office of the Bank.

 The shape, size and manner of using the seal and the stamp shall be specified by the Bank’s Management Board.

Article 6

 The Bank has its own registered trademark.

The design, form and size of the trademark shall be specified with a decision of the Bank’s Supervisory Board.

**BANK’S FINANCIAL ACTIVITIES**

Article 7

 The Bank is established for an indefinite period of time for the purpose of performing activities determined by the law applicable to the Bank’s operations.

The Bank is a legal entity in possession of a license granted by the Governor of the National Bank of the Republic of North Macedonia, and incorporated in accordance with the provisions of the Law on Banks, whose main business activity is collecting deposits and other repayable sources of funds from the public and approving credit lines on its own behalf and for its own account.

The Bank shall perform its operations in accordance with the business policy and the development plan.

Within its operations, the Banks shall settle all its due liabilities to the creditors in full and in due time.

Article 8

 The Bank shall perform its operations on its own behalf and for its own account, on its own behalf and for the account of third parties, and on behalf of and for the account of third parties.

Article 9

 The Bank may perform the following activities:

1. collecting deposits and other repayable sources of funds;
2. domestic lending, including factoring and financing of commercial transactions;
3. foreign lending, including factoring and financing of commercial transactions;
4. issuing and administering means of payment (payment cards, checks, traveler's checks, promissory notes);
5. issuing digital money, if regulated by a separate law;
6. financial leasing;
7. exchange operations;
8. payment operations in the country and abroad, including foreign currency sale and purchase;
9. fast money transfer;
10. issuing payment guarantees, sureties and other forms of collateral;
11. renting safe deposit boxes, depository and depot;
12. trading in instruments on the financial market;
13. foreign assets trading, including precious metals trading;
14. securities trading;
15. financial derivatives trading;
16. assets and securities portfolio management for clients and/or investment counseling for clients;
17. providing custody services to investment and pension funds;
18. sales, purchase, guaranteeing, and issuing of securities;

18-a) safekeeping securities for clients;

18-b) advising legal entities on equity structure, business strategy or other related issues, or provision of services related to merger or acquisition of legal entities;

1. sale of insurance policies;
2. mediation in concluding credit and loan agreements;
3. processing and analysis of information on the creditworthiness of legal entities;
4. economic and financial consulting;
5. insurance agency; and
6. other financial activities specified by law that may be performed by a bank.

 The Bank shall carry out activities, which require a special consent from the National Bank or from another authority, after obtaining consent.

 Other financial activities that require special consent from the National Bank or another authority shall be carried out by the Bank after obtaining such consent.

 The Bank may also perform other tasks in accordance with the Law on Banks if prior consent from the National Bank is not required.

 In order to perform the activities listed in paragraph 1, items 3, 13, 14, 15, 16, 17, and 18, save for securities trading in the country, the Bank’s equity shall be at least MKD 560,000,000.00.

 The performance of the activities listed in paragraph 1, items 5, 8, 9, 13, 14, 15, 16, 17, 18. 22, 23, 24 and 25 shall be subject to obtaining a prior consent from the National Bank of the Republic of North Macedonia.

**BANK’S SHARE CAPITAL**

1. **INITIAL SHARE CAPITAL**

Article 10

 The par value of the Bank’s initial share capital is MKD 545,987,000.00 or EUR 8,940,835.00, divided into 545,987 ordinary shares with voting rights with a par value of MKD 1,000.00 each.

 The initial share capital and all subsequent increases in the initial capital may not be reduced by returning any paid-in contributions by the shareholders.

 The initial share capital structure is enclosed to these Articles of Association.

 The Bank may issue ordinary and preference shares.

 Each share carries the right to one vote in the Shareholders’ Assembly.

Article 11

 The Shareholders’ Assembly may denominate the par value of the shares by reducing or increasing such value, or express the par value of the shares in a foreign currency, provided that the amount of the share capital is not changed.

 The decision referred to in paragraph 1 above is made by the Shareholders’ Assembly.

Article 12

 The Bank’s initial share capital may be increased by:

* issuing new shares;
* retaining part of the profits;

Article 13

 The Bank shall keep a dematerialized share register in the Central Securities Depositary, in the manner and under the terms and conditions specified by law.

1. **BANK RESERVES**

Article 14

 The Bank’s reserve assets are the Bank’s own funds used for covering losses arising from the risks that the Bank faces in its operations and for other purposes.

Article 15

 Bank reserves are comprised of:

* reserve fund;
* revaluation reserve;
* special reserve.

Article 16

 The Bank’s reserve fund assets shall be composed of the part of the profits based on a decision made by the Shareholders’ Assembly, and shall amount to at least 5% of the Bank’s profit after tax, until the Bank’s reserves reach an amount equal to one tenth of the share capital. In case the created reserve is decreased, it must be supplemented in the same manner as stated above.

 The reserve fund may be converted into initial share capital in accordance with the legal provisions.

Article 17

 The Bank’s revaluation reserve is created in the manner and under the terms and conditions specified by the legal regulations.

Article 18

 For the purpose of providing security against potential or incurred losses resulting from specific high-risk balance sheet and off-balance sheet items, the Bank shall perform value adjustment, i.e. allocate a special reserve.

 The value adjustment and the amount of the special reserve shall be determined in the manner and size according to the methodology provided by the Council of the National Bank.

**SHAREHOLDERS’ RIGHTS, OBLIGATIONS AND RESPONSIBILITIES**

Article 19

 Any domestic or foreign individual or legal entity having acquired shares in accordance with the Law may become a shareholder of the Bank.

 The shareholders acquire rights or their rights are terminated upon making an appropriate entry in the shareholder's book and upon fulfillment of the legal requirements.

Article 20

 A Bank’s shareholder shall have all the rights, obligations, and responsibilities as specified by the legal regulations and these Articles of Association.

 The shareholders’ rights include the following:

* right to participate and make decisions in the Shareholders’ Assembly of the Bank;
* right to obtaining information about the Bank's operations;
* right to dividend distribution;
* right to protect the rights of shareholding before the courts and other authorities and institutions; and
* other rights determined by the legal regulations and by-laws.

Article 21 - deleted

Article 22 - deleted

Article 23

 The Bank’s shareholders shall by liable for the obligations arising from the Bank’s operations only to the extent of the amount invested in the initial share capital.

 The Bank’s shareholders shall assume unlimited and joint and several liability for the obligations arising from the Bank’s operations when:

1. they have misused the Bank as a legal entity to achieve goals that are prohibited for them as individuals;
2. they have misused the Bank as a legal entity to cause damage to their creditors;
3. they have disposed of the Bank’s property as their own property contrary to the law;
4. for their own benefit or for the benefit of any other party they have reduced the Bank's assets and thereby they were or should have been aware that the Bank is unable to meet its obligations to third parties.

**DETERMINATION OF THE FINANCIAL RESULT,**

**ALLOCATION OF PROFITS AND LOSS COVERAGE**

Article 24

 The Bank shall determine the financial result of its operations as profit or loss.

 The profit shall be determined by deducting total costs from total generated income in the accounting period.

Article 25

 Bank’s profits are allocated in accordance with a decision of the Shareholders’ Assembly based on the proposal on profit use and allocation made by the Bank’s Supervisory Board, in accordance with the applicable legal regulations, as follows:

* to cover operating losses from previous years;
* to increase the Bank’s initial share capital;
* to pay dividends and other remunerations due to shareholders;
* to increase the reserve fund assets; and
* for other purposes.

Article 26

 Any profit allocation for the purpose of increasing the reserve fund shall be made in accordance with Article 16 hereof.

Article 27

 The Bank shall allocate funds from the generated profits for other purposes, and in particular:

* for the members of the Bank’s Supervisory Board;
* for the members of the Bank’s Management Board;
* for officers with special rights and responsibilities and for employees of the Bank.

Article 28

 Profit allocation for other purposes shall be made depending on the achieved operating results.

 Profit allocation as per Article 27 hereof shall be made according to the criteria set by the Bank’s Supervisory Board.

Article 29

 In case Bank’s revenues, according to the annual financial statement, are not sufficient to cover the total expenditures, the Bank shall report an operating loss.

 The Bank’s operating loss shall be covered using the reserve fund assets, and if they do not suffice, the initial share capital will be decreased in accordance with the law.

**SUPERVISION STANDARDS**

Article 30

 The Bank shall provide an adequate amount of own funds depending on the type and scope of the financial activities and the level of risks arising from the performance of such activities.

The Bank shall maintain the exposure to separate types of risks within the limits prescribed by the Law on Banks and the supervision regulations of the National Bank.

The Bank shall, using general regulations and internal procedures, set out the criteria, the manner and the methods for risk management, as well as the assessment of the capital adequacy in accordance with the Bank’s risk level. The general rules and regulations and internal procedures shall be harmonized with the regulations, standards and rules in the field of banking and the methodology prescribed by the Council of the National Bank of the Republic of North Macedonia.

**STATUTORY CHANGES**

Article 31

 The decision on statutory changes of the Bank (fusion, merger with, or split-up into several banks) is made by the Shareholders’ Assembly.

 Any statutory changes of the Bank shall be subject to obtaining a permit by the National Bank.

 In case of statutory changes of the Bank, the relations between the Bank’s shareholders shall be settled amicably or through the mediation of the Bank’s Supervisory Board.

**INSURANCE OF INDIVIDUALS’ DEPOSIT**

Article 32

 The Bank shall insure Denar and foreign currency deposits and current accounts of individuals, deposits related to bank payment cards, and foreign currency income of individuals, with the Deposit Insurance Fund.

**MONEY LAUNDERING PREVENTION**

Article 33

 In the course of its operations, the Bank shall undertake all actions and measures for the detection and prevention of money laundering and financing of terrorism and act in accordance with the AML & CFT regulations.

 Upon acquiring the knowledge or suspicion based on objective or factual circumstances, the Bank shall notify the Financial Intelligence Office thereof.

**BANK’S ORGANIZATION AND OPERATION**

Article 34

 The Bank shall independently determine the manner and the form of its internal organization and adjustment of its economic activity according to the market conditions and profit generation in accordance with the applicable regulations and these Articles of Association.

Article 35

 The operations related to the corporate purpose of the Bank shall be carried out at the level of the Bank and the Bank’s units.

Article 36

 For the purpose of carrying out operations related to the corporate purpose of the Bank, organizational units are established within the Bank such as departments, services and sectors.

 The Bank’s organizational units and the necessary number of executives shall be determined under a separate internal organization and systematization act adopted by the Bank’s Management Board.

Article 37

 The units of the Bank may be established as branch offices, subsidiaries, teller stations and representative offices in the country and abroad.

 In the course of their operations, the units of the Bank shall perform under the official name of the Bank, including the name and registered office of the Bank’s functional unit.

Article 38

 The organizational units of the Bank shall be established with a decision of the Bank’s Supervisory Board at the proposal of the Bank’s Management Board, and in accordance with the legal regulations.

 The decision on establishing certain units of the Bank shall specify in detail the financial activities to be performed, etc.

**BANK MANAGEMENT AND**

**PROCEDURE FOR ESTABLISHING MANAGEMENT BODIES**

Article 39

 The Bank shall have the following bodies: Shareholders’ Assembly, Supervisory Board, Risk Management Committee, Audit Committee, Management Board, and Credit Committee.

 The members of the bodies listed in paragraph 1 above shall be officers with special rights and responsibilities in the Bank.

Article 39-a

 Each officer with special rights and responsibilities in the Bank must hold an appropriate higher education degree and possess knowledge of regulations related to banking and/or finances, be familiar with the principles of good corporate governance, and have sufficient experience that will ensure safe and stable bank management.

 An officer with special rights and responsibilities in the Bank may not be:

1. a member of the Council of the National Bank;
2. employed in the National Bank;
3. a person who has been imposed a misdemeanor sanction or has been banned from performing his/her profession, business, or office duty;
4. a person of such reputation that could jeopardize the safety and stability of the bank;
5. a person who fails to comply with the provisions of the Law on Banks and the regulations adopted pursuant thereto, and fails to implement and/or has failed to act or has acted contrary to the measures established by the Governor, thereby jeopardizing the safety and stability of the bank;
6. a member of a supervisory board, risk management committee, audit committee, or management board of another bank, or an employee of another bank;
7. a person who has served as an officer with special rights and responsibilities in a bank or another legal entity that has undergone administrative receivership, bankruptcy or liquidation proceedings, unless it is undoubtedly determined, based on the available documents and information, that the person had not contributed to the creation of conditions for commencement of administrative receivership, bankruptcy or liquidation proceedings, or had served his/her duty immediately prior to, or immediately after the occurrence of the reasons for commencement of administrative receivership, bankruptcy or liquidation proceedings.

 A person of poor reputation shall also be considered a person who has been sentenced with a final court verdict to unconditional imprisonment of more than six months, as long as the legal consequences of the verdict remain in force.

 A member of the management board of a bank shall be deemed a person of poor reputation even when he or she has an associate in respect of whom the circumstances referred to paragraph 3 of this Article exist.

 Any member of a bank’s management board may, at the same time, be a member of no more than two supervisory boards, or a non-executive member of a board of directors in no more than two non-banking financial institutions or non-financial institutions.

Any member of a bank’s supervisory board may, at the same time, be:

* a member of one management body and one supervisory body, or perform one function of an executive member and one function of a non-executive member of the board of directors in non-banking financial institutions or non-financial institutions; or
* a member of three supervisory boards, or perform three functions of a non-executive member of the board of directors in non-banking financial institutions or non-financial institutions.

 A member of a bank’s management board may not also be a person who is a manager, member of a management board, or an executive member of a board of directors in any domestic or foreign company.

 The limitations specified in paragraph (2) item 6) and paragraphs (5), (6), and (7) of this Article shall not apply with regard to any membership in: non-profit organization bodies on a voluntary basis, without being paid a remuneration, and in bodies of companies belonging to the same banking group in the Republic of North Macedonia or abroad.

 The Bank must ensure that the majority of the members of the Supervisory and Management Boards are available at the request of the National Bank of the Republic of North Macedonia.

**1. SHAREHOLDERS’ ASSEMBLY**

Article 40

 The Bank is managed by the Bank’s shareholders through the Shareholders’ Assembly, according to the ‘one share - one vote’ principle.

 The Shareholders’ Assembly is composed of all of the shareholders, attending the meetings in person or through their proxies.

 Each shareholder may appoint a proxy who will represent him/her at the Assembly.

 Two or more shareholders holding voting shares may unite and appoint a proxy to represent them and participate in the work of the Assembly. The shareholders must notify the National Bank of any agreements for joining their voting rights together within 5 days from the conclusion of any such agreement.

 Shareholders who are legal entities shall be represented at the Assembly by a legal representative or a proxy authorized by the legal representative.

Article 41

 The Shareholders’ Assembly shall carry out the following tasks:

1. adopt the Bank’s Articles of Associations and any amendments thereto;
2. review and adopt the Bank’s annual management report and the written opinion regarding such report prepared by the Supervisory Board;
3. review and adopt the audit firm report and the written opinion regarding such report prepared by the Supervisory Board;
4. adopt the Bank’s annual statement of accounts and financial statements;
5. decide on the use and allocation of the generated profits, or covering the losses;
6. decide on issuing new bank shares;
7. decide on making statutory changes or termination of the bank operations;
8. appoint and dismiss members of the Supervisory Board;
9. select an audit firm and decide on the proposal for terminating the contract concluded with the audit firm; and
10. decide on other issues relevant to the Bank’s operations as provided in these Articles.

The Shareholders’ Assembly may not appoint any member of the Bank’s Supervisory Board without prior consent of the Governor of the National Bank.

Article 42

 The Shareholder’ Assembly conducts its business at general meetings, scheduled as necessary, but at least once a year.

 The Bank’s annual general meeting is always held before the expiry of six months of the calendar year for the previous year.

 The Shareholders’ Assembly meeting is convened upon a decision of the Bank’s Supervisory Board.

 In the decision to convene the Assembly, the Supervisory Board shall decide on the venue of the meeting.

Article 43

 Any shareholders jointly holding at least 10% of the votes in the Shareholders’ Assembly may submit a written request to the Bank’s Supervisory Board to convene a meeting. The written request must state the reasons for convening the meeting and the matter to be decided on, each shareholder’s name, place of residence, personal number or, in case the shareholder is a legal entity, the company name, the address and the company registration number.

 The Supervisory Board shall, within eight days following receipt of the shareholders’ request to convene the meeting, decide to either accept or reject the request. The decision on rejecting the request must state the reasons for the rejection.

 At the request of shareholders holding the majority of all voting shares, the Bank’s Supervisory Board is required to convene a meeting within 24 hours following the request.

Article 44

 The Shareholders’ Assembly meeting is convened by sending an invitation to all shareholders whose shares are registered in the share register, in a manner that allows for verification that the invitation has been sent to each shareholder.

 The Assembly meeting may also be convened by way of public call addressed to the shareholders.

 The public call for convening a Shareholders’ Assembly shall be published on half a page in at least one daily newspaper in circulation in the territory of the Republic of North Macedonia, as well as on the home page of the Bank’s official website and the stock exchange website.

Article 45

 The public call, that is the invitation to hold a meeting of the Shareholders’ Assembly, shall state the date and hour of the meeting, the venue of the meeting, and the proposed agenda for the assembly meeting, and shall describe the procedures according to which the shareholders participate and vote at a meeting of the assembly, and in particular:

* the manner in which the shareholders can include items in the meeting’s agenda and propose decisions, including information on the manner in which they can do so once they receive the invitation or once the call is published; the manner in which the shareholders can put questions to the Bank regarding the items in the assembly meeting agenda, including information on the deadline for submitting such questions;
* the manner in which the voting procedure through a proxy is conducted; and
* voting by correspondence or electronic voting.

 The public call, that is the invitation to hold a meeting of the Shareholders’ Assembly, shall include the Bank’s official website where the following information is available: information regarding the total number of shares and the total number of voting rights arising from the shares with the right to vote on the day of the announcement of the call, documents and materials that will be reviewed at the session of the Assembly, the proposed decisions for adoption or opinion of an authorized authority or body, the proposed decisions by the shareholders, the forms for voting by proxy, etc.

 The deadline that runs from the date of sending the invitation, that is, the date of publishing the call for participation at the meeting until the date of holding the meeting shall not be shorter than 30 days.

Article 46

 Any shareholder who intends to attend the Assembly meeting shall notify his/her attendance at the latest prior to the start of the meeting.

 Prior to the start of the Assembly meeting, the list of shareholders who have notified their attendance shall be signed by each shareholder or shareholder’s proxy present at the meeting, thereby verifying his/her presence (verified participant at the Assembly meeting.

Article 46-a

 The Bank’s shareholders may authorize a proxy to represent them at a meeting of the Shareholders' Assembly by granting a power of attorney in writing without having to notarize such power of attorney. The proxy shall enjoy the same rights as the shareholder authorizing the proxy by means of the power of attorney, including the right to speak at the meeting, to be involved in the discussion, and to ask questions at the assembly meeting.

 The Bank's shareholders may, by using the Bank's electronic system, register, authorize their proxies, and instruct them to vote at the General Meeting. The Bank's shareholders may cancel the granted power of attorney through the same system.

 If the power of attorney does not state any voting restrictions or instructions, the proxy may vote at his/her own discretion, but always taking into account the interests of the shareholder who granted the power of attorney.

 The proxy shall make a record of the received voting instructions, if any, and shall keep such record at least one year from the date of the Assembly meeting in which he/she participated and voted, and shall confirm to have followed such instructions, if requested to do so by the company or the shareholder granting the authorization.

 Where a proxy has been authorized by two or more shareholders, he/she may act and vote differently on behalf of those shareholders.

 The shareholders shall immediately notify the Bank of each power of attorney granted in writing. A shareholder who has failed to notify the Bank of the granted power of attorney shall be deemed not to have granted such power of attorney.

 The Bank shall prepare a special form of the written power of attorney available for download on the Bank’s website, which the shareholders shall be able to download in a digital form, and then print it, fill it out, and sign it. Where a shareholder is unable for any technical reason whatsoever to download the power of attorney form the Bank’s website, such shareholder may use other types of written forms of power of attorney.

 The Bank shall accept the power of attorney granted in writing if notified in writing by the shareholder granting the power of attorney. The Bank may require verification of the shareholder’s personal identity as a precondition for accepting the power of attorney, or verification of the voting instructions in case the proxy has received such instructions. The power of attorney may be accepted as valid without notarization or certification by a domestic or foreign competent authority.

 The power of attorney shall be valid for two years from the date of its issuance unless revoked at an earlier date.

 The power of attorney may be revoked unilaterally, without the shareholder or the proxy having to specify the reasons for the revocation, by submitting a written notification to the other party. In case the shareholder personally registers his/her presence at the assembly meeting with all the shares he/she owns and declares that he/she will personally participate in the discussion, it shall be considered that the proxy’s power of attorney for that meeting has been revoked and the shareholder can exercise his right to vote in person and without limitation.

Article 46-b

 The Bank may not restrict any persons from being proxies at a meeting, unless there is a conflict of interest between them.

 A conflict of interest exists where there is a risk that the person has an interest, which differs from the interest of the shareholder authorizing such person to be his/her proxy, particularly in cases where the person is:

* a member of the Management Board, or a member of the Supervisory Board of the bank, including the members of his/her immediate family;
* a manager in the bank or a member of his/her immediate family;
* a member of a management body, or a supervisory body, an employee, or an authorized auditor of companies affiliated with or related to the bank, including the members of his/her immediate family;
* a legal representative or other authorized person from a company or other entity owned by the bank;
* an employee in, or an authorized auditor of the bank.

 In case where there is a conflict of interest in terms of the preceding paragraph, a person may not be a proxy at the shareholder’s meeting, unless and only provided that such person:

* previously disclosed to the shareholders that he/she has a conflict of interest; and
* received specific voting instructions in writing from the shareholders granting him/her the power of attorney regarding each decision proposal to vote on the items of the meeting agenda.

 Notwithstanding the above, any shareholders who are legal entities may grant a power of attorney to a person who is a member of their management board or is their employee, to attend and vote at an assembly meeting.

 Anyone can notify the bank of the existence of conflict of interest with any person who has been granted a power of attorney. Upon receiving the information on the existence of conflict of interest with a proxy, the Bank’s Management or Supervisory Board must verify such information and demand that the proxy discloses any and all information regarding the possible existence thereof.

 The Bank shall immediately publish the identity and the reasons for existence of a conflict of interest with a proxy on its website.

 Any proxies who have acted with a conflict of interest, which has not been previously disclosed to the shareholders granting them a power of attorney or to the Bank, shall be deemed as persons who have not been granted a power of attorney.

Article 47

 The materials required for deciding at an Assembly meeting must be made available to the shareholders as of the date of sending the invitation, that is, the date of publishing the public call, in a specially designated room in the Bank or on the Bank’s website.

 In the period that cannot start later than on the thirtieth day before the day of the Assembly meeting, as well as on the day of holding the Assembly meeting, the Bank shall publish at least the following information on its website:

* The contents of the public call, that is, the invitation to convene the shareholder’s assembly;
* The total number of shares and the total number of voting rights arising from the voting shares as at the day of announcing the public call, that is, as at the day of sending the invitation, including the total number of shares of each type and class;
* Any documents and materials to be reviewed at the Shareholders’ Assembly meeting;
* Any decisions proposed to be adopted, or where not proposed, opinions of an authorized body of the company on each item on the proposed agenda for the shareholders’ assembly meeting;
* Any decisions proposed by the shareholders, which the Bank shall publish immediately following their receipt;
* Any forms for voting through a proxy and any voting forms by correspondence, ready to be downloaded in digital form by the shareholders.

Article 48

 Each shareholder has the right to participate in the Shareholders’ Assembly meeting under the terms and conditions stipulated by these Articles, unless otherwise provided by law.

The right to submit proposals and discuss the items on the agenda is granted to all shareholders, while the right to vote on the items on the agenda is granted to shareholders who are holders of voting shares.

Article 49

 Any shareholders who hold individually or jointly at least 5% of the total number of voting shares may propose to supplement the agenda by requesting the inclusion of new items, provided they give their reasons for the supplementation of the agenda with the proposed item, or propose a decision regarding the proposed item.

 Any shareholders who hold individually or jointly 5% of the total number of voting shares may give written proposals for the adoption of decisions regarding each of the items that are or will be included in the assembly meeting agenda.

 The request for including one or more items in the agenda of a convened meeting, and the proposal for the adoption of decisions shall be delivered to the bank’s management body, and to the meeting’s convener.

 In case of any amendments to the meeting’s agenda which has already been disclosed to the shareholders, the company shall make available the amended agenda in the same manner as the previous agenda before the date of the company’s assembly meeting. The amended agenda shall be deemed duly available if the shareholders are able to authorize proxies in a timely manner.

Article 50

 The Shareholders’ Assembly may only discuss issues that have been duly included in the agenda.

 Each shareholder may ask questions regarding each item on the Bank’s assembly meeting agenda.

 The Bank is required to answer each question posed by the shareholders through its authorized body or representative. The Bank's obligation to answer the questions raised is pre-conditioned by confirming the personal identity of the shareholders who asked questions, maintaining order in the work, preserving confidentiality of the Assembly’s meeting, upholding the principles of banking and business secrecy as well as the Bank's business interests.

 The answers to the questions posed at the Shareholder’s Assembly meeting shall be published on the bank’s website in a question-and-answer format.

Article 51

 The Assembly may conduct its business (make a quorum) provided that the meeting is attended by verified participants at the meeting, holding at least the majority of the total number of voting shares.

 The Shareholders’ Assembly shall make its decisions by a majority of the votes of all present or represented shareholders, unless a different majority is specified by law or these Articles.

 The Shareholders’ Assembly shall decide on making changes to the Articles by a majority of votes of the total number of voting shares, while any decisions on increasing the share capital, decreasing the share capital, and issuance of shares shall be made by a two-thirds majority of the voting shares represented at the meeting.

Article 51-a

 Shareholders may vote using an appropriate electronic means, which is part of a public communication network. The identity, the right to vote, the method of establishing a communication link between the Bank and the shareholder must be determined in a reliable way for each shareholder, so that voting will be enabled and the casted vote can be reliably recorded. When the shareholder votes using an electronic means, he is considered present at the meeting, that is, he constitutes the quorum for work and decision-making of the meeting. The Bank shall publish on its website a description of the procedure and the necessary documentation for the identification of shareholders when voting using electronic means.

 In accordance with the Companies Act, the Bank may allow the shareholders to vote by correspondence before the day of holding the convened Shareholders’ Assembly.

 Before allowing the shareholders to vote by correspondence, the Bank may ask them to confirm their personal identity by submitting personal identification documents in original or a copy at the discretion of the shareholder, without the obligation for the shareholders to have it certified by a notary public or confirmed by a domestic or foreign competent authority.

 Voting by correspondence is done by sending a completed form in original, which must be received at the Bank no later than one working day before the day of the Assembly.

 Shareholders who voted by correspondence may personally attend the session of the Assembly, but they will have to revoke the vote cast by correspondence no later than 48 hours before the holding of the Assembly, otherwise the correspondence voting will be taken into account.

Article 52

 If the Shareholders’ Assembly does not constitute a quorum as provided for in Article 51, the Assembly shall be reconvened no later than 15 days, and it shall be able to decide on the issues included in the specified agenda of the previous meeting regardless of the number of present shareholders entitled to vote and the number of shares they hold, save for issues which must be decided upon by the appropriate majority as provided for by law or these Articles.

Article 52-a

 For each decision to be voted on at the Bank’s assembly meeting, it is necessary to determine the total number of shares based on which valid votes were cast, the total number of valid votes and the portion of the share capital represented by such votes, including the number of votes “in favor”, “against”, “abstain” regarding each decision subject to voting at the meeting.

Article 52-b

 Minutes shall be taken of the Assembly meetings, containing the information as specified in the Companies Law. The minutes shall be prepared no later than eight days following the meeting, and shall be signed by the minute taker and the Chairman of the Assembly.

 Where the Assembly decides to change any information which, according to the Companies Law, must be recorded in the Trade Register, the minutes shall be taken by a Notary Public, who shall prepare the Minutes within three days following the meeting, and such Minutes shall be signed by the Notary Public and the Chairman of the Assembly.

Article 53

 The Rules of Procedure of the Assembly shall regulate in detail the method of conducting business and voting at Assembly meetings, as well as other matters related to the work of the Assembly.

**2. SUPERVISORY BOARD**

Article 54

 The Supervisory Board shall supervise the work of the Management Board, approve the policies for performing the financial activities, and monitor their implementation.

Article 55

 The Supervisory Board shall ensure the proper operation, management, and stability of the bank, as well as timely and accurate financial reporting to the National Bank.

Article 56

 The Bank’s Supervisory Board is comprised of 6 (six) members.

 Each member of the Supervisory Board must hold the appropriate higher education degree and possess knowledge of the regulations related to banking and/or finances, be familiar with the principles of good corporate governance, and have sufficient experience that will ensure safe and stable bank management; no person who is subject to the restrictions defined in Article 39-a may be a member of the Supervisory Board.

 The members of the Supervisory Board should have the knowledge and experience necessary to perform independent supervision of the Bank's operations, and particularly to understand the activities performed by the Bank and the material risks to which it is exposed.

 At least one quarter of the Bank’s Supervisory Board members must be independent members.

 No person can serve as an independent member of the Bank’s Supervisory Board for more than three consecutive terms.

 The term of office of a Supervisory Board member is 4 (four) years.

 The Supervisory Board meets at least once every quarter.

Article 57

 No person who is subject to any of the restrictions specified in the Law on Banks may be a member of the Supervisory Board.

Article 57-a

 The members of the Supervisory Board elect from among themselves the chairman and the vice chairman of the Bank’s Supervisory Board.

 The term of office of the chairman and the vice chairman shall be until the end of their terms as members of the Supervisory Board. Where the term of the chairman or the vice chairman expires, a new chairman or vice chairman shall be elected at the following meeting of the Supervisory Board, whose term shall also be until the end of their terms as members of the Supervisory Board.

 The meetings of the Supervisory Board are convened by the Chairman with a proposed agenda, specifying at the same time the time and place of the meeting.

 The Supervisory Board members can participate in and make decisions at a meeting held in the form of a conference call or by using any other audio or video communication equipment, where all of the people participating in such meeting can hear, see, and talk to each other. Participation in such meetings shall be considered attendance and in-person attendance by the persons involved in this way. Participation in the meetings shall be recorded in the minutes of the Supervisory Board, which shall be signed by all members taking part in such an organized meeting.

 The members of the Supervisory Board may adopt a decision without holding a meeting if all members of the Supervisory Board give consent to the decision that is being adopted. For all decisions made without holding a meeting the Chairman of the Supervisory Board shall prepare minutes in which the decisions shall be recorded. The minutes shall be signed by the Chairman of the Supervisory Board or, in case of his/her absence, by a member of the Supervisory Board, no later than 30 days from the date of granting consent to the decision made without holding a meeting. Decisions made without holding a meeting shall enter into force on the day of granting of the consent by the members of the Supervisory Board, unless another effective date is specified. Granting consent may be done with a hand-written signature, or with a signature sent by fax or electronically on the proposed decision.

Article 57-b

 The Chairman of the Supervisory Board shall have the right and the obligation to:

* preside over the meetings;
* propose and determine the meeting’s agenda;
* direct the discussion at the meetings;
* sign the formal decisions, opinions, proposals, and other acts of the Supervisory Board;
* perform other tasks as per these Articles and the Rules of Procedure of the Supervisory Board.

Article 57-c

 Minutes shall be taken of each meeting of the Supervisory Board, regardless of how the meeting is held.

 The minutes shall be prepared within 3 days following the meeting.

 The minutes shall contain information on the manner in which the Supervisory Board conducted its business, the time and place of the meeting, the attending members, the agenda, the issues that have been voted on, and the results of each vote including the names of the members who voted “in favor” and “against” the decisions adopted at the meeting.

 If a member has a conflict of interest, he/she shall be required to disclose it at the beginning of the meeting, and such disclosure shall be recorded in the minutes.

 The minutes shall be signed by all Supervisory Board members attending the meeting and the Chairman presiding over the meeting or, in case of his/her absence, the Vice Chairman.

Article 58

 The Supervisory Board shall have the following tasks:

1. adopt the bank’s business policy and development plan;
2. appoint and dismiss members of the bank’s Management Board;
3. appoint and dismiss members of the Risk Management Committee;
4. appoint and dismiss members of the bank’s Audit Committee;
5. adopt the Bank’s financial plan;
6. establish an Internal Audit Service;
7. adopt the annual plan of the Internal Audit Service;
8. adopt the information system security policy;
9. adopt the bank’s risk management policies;
10. adopt a policy for avoiding conflicts of interest, identifying possible conflicts of interest and measures and activities for prevention thereof;
11. adopt a Recognition and Reward Policy in accordance with the Bank’s business policy, development plan, financial plan, and the policy for avoiding conflicts of interest;
12. adopt and implement a policy on the method of electing, monitoring the performance of, and dismissing the members of the Supervisory Board, the Risk Management Committee, the Audit Committee, and the Management Board;
13. review the management reports of the bank’s Management Board;
14. review the reports of the Risk Management Committee;
15. review the reports of the Audit Committee;
16. review the reports of the Internal Audit Service;
17. review the reports of the Compliance Officer/Regulatory Compliance Service;
18. approve the bank’s annual statement of account and financial statements;
19. approve the exposure towards a person that exceeds 20% of the bank's own funds, with the exception of exposure based on the purchase of securities issued by the National Bank of the Republic of North Macedonia;
20. approve transactions with related parties of the Bank in excess of MKD 6,000,000.00;
21. approve the acquisition of capital shares and the purchase of securities exceeding 5% of the bank's own funds, save for the purchase of securities issued by the National Bank of the Republic of North Macedonia;
22. approve the proposal of the Audit Committee on appointing an audit firm, or the proposal on terminating the contract signed with the audit firm, and ensuring that an appropriate audit will take place;
23. adopt the internal audit policy;
24. review the supervision reports, and other reports submitted by the National Bank, the Public Revenue Office and other competent institutions, and propose and undertake measures and activities for remedying the identified inconsistencies and weaknesses in the bank's operations;
25. approve the annual report of the bank’s activities, and submit a written opinion thereon to the Shareholders’ Assembly;
26. review the report of the audit firm, and submit a written opinion thereon to the Shareholders’ Assembly;
27. adopt the corporate governance code regulating matters regarding the management and supervision over the bank;
28. adopt the Code of Ethics of the bank;
29. perform other tasks in accordance with these Articles of Association, other rules and regulations of the Bank and the legal regulations.

The Supervisory Board shall, at least once a year, assess its performance in terms of its individual members and collectively, and shall inform the Shareholders’ Assembly thereof.

Article 59

 The Supervisory Board may only conduct valid business in a meeting if the majority of the total number of members is present, and shall take the decisions by a majority vote from the total number of members.

 In case the voting results in equal votes “in favor” and “against”, the vote of the Chairman of the Supervisory Board shall count as two votes.

Article 60

 The term of office of the Supervisory Board members may be terminated early by a dismissal from office due to any conduct contrary to the law, the Articles, and the good business practices, or upon personal written request.

 In terms of good business customs and practices, the term of office of a member of the Supervisory Board may be prematurely terminated if a member:

* for his own or someone else's account, personally or through third parties, performs tasks within the scope of the Bank, or advises persons, which may be considered a competition for the Bank;
* is an employee, hired personnel or a partner of an audit company appointed as an external auditor of the Bank and
* does not devote enough time to perform his duties towards the board, that is, fails to attend more than half of the held board meetings.

 The notice period in case of a personal request for termination of the term of office of a member of the Supervisory Board is 90 days.

 In case of early termination of office of any member of the Supervisory Board, any vacated positions for the rest of the term shall be filled by election at the following meeting of the Shareholders’ Assembly, upon prior consent by the National Bank of the Republic of North Macedonia.

Article 61

 The manner of doing business of the Supervisory Board shall be regulated in the Rules of Procedure.

Article 62

 The Supervisory Board members shall be entitled to remuneration for their service to be paid after the end of each business year in the amount specified by the Shareholders’ Assembly.

 Should the Bank report an operating loss, the Supervisory Board members shall not be entitled to remuneration.

**3. RISK MANAGEMENT COMMITTEE**

Article 63

 The Risk Management Committee is comprised of 6 (six) members, of whom 2 (two) are elected from among the Management Board members, 1 (one) member of the Committee is the Chief Risk Officer, 1 (one) member of the Committee is the Chief Compliance Officer, 1 (one) member of the Committee is the Chief Business Development Officer and 1 (one) member of the Committee is the Treasury Department Head.

 The Bank's Supervisory Board shall appoint and dismiss the members of the Risk Management Committee.

Article 64

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

 The Risk Management Committee shall take its decisions by a majority vote of the members of the committee, and shall submit reports of its activities to the Bank’s Supervisory Board at least once every quarter.

 Apart from the requirements which must be fulfilled by the persons with special rights and responsibilities as specified in Article 39-a hereof, the members of the Risk Management Committee must have at least 3 years of experience in the area of financing or banking, be familiar with the bank’s operations, its products and services, and be familiar with the risks to which the bank is exposed.

 The term of office of the Risk Management Committee members is 4 (four) years.

Article 64-a

 The meetings of the Risk Management Committee shall be convened and presided over by the Chairman of the Committee or, in case of his/her absence, the Vice Chairman. The Chairman or, in his/her absence, the Vice Chairman shall determine the proposed agenda of the meeting and the time and place of the meeting, and shall ensure the timely submission of materials relating to the meeting agenda to the members of the Risk Management Committee.

 Minutes shall be taken of the meetings of the Risk Management Committee, signed by the attending members.

Article 65

 The Risk Management Committee shall carry out the following tasks:

* permanently monitor and assess the bank’s level of risk, and determine the acceptable level of risk exposure in order to minimize losses arising from the bank’s risk exposure;
* establish risk management policies and monitor the implementation thereof;
* follow National Bank’s regulations relating to risk management, and monitor the bank’s compliance with such regulations;
* assess the bank’s risk management systems;
* determine short-term and long-term strategies for managing the individual types of risks to which the bank is exposed;
* analyze the reports on the bank's exposure to risk made by the bank's services that perform risk assessment, and propose strategies, measures and instruments for risk protection;
* monitor the performance of the internal control systems with regard to risk management;
* analyze the risk management effects on the bank’s performance;
* analyze the effects from the proposed risk management strategies, and the proposed strategies, measures and instruments for risk protection;
* assess the correspondence of the prices of products and services offered by the bank to the level of risk taken in accordance with the bank’s business policy and development plan;
* submit reports on a quarterly basis the Supervisory Board on any changes to the bank’s risk positions, any changes to the risk management strategy, the risk management effects on the bank’s performance, and the undertaken measures and instruments for risk protection and the effects thereof; and
* approve the exposure towards a person of more than 10% and less than 20% of the bank's own funds.

Article 65-a

 With its Rules of Procedure, the Risk Management Committee shall regulate in detail the manner of conducting business, the procedure of taking decisions at the meetings, etc.

**4. AUDIT COMMITTEE**

Article 66

 The Audit Committee is comprised of five members appointed for a two-year term by the Bank’s Supervisory Board.

 No person who is subject to the restrictions defined in Article 39-a can be a member of the Audit Committee.

 The majority of the members of the Audit Committee shall be elected from among the members of the Supervisory Board, while the others shall be independent members.

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

Article 67

 The Audit Committee shall report to the Bank’s Supervisory Board on its activities at least once every three months.

 The Audit Committee constitutes a quorum if the majority of its members are present.

 The Audit Committee shall take its decisions with a majority vote of all committee members. The Audit Committee shall submit a semi-annual and annual report on its activities to the Bank's Supervisory Board. The annual report shall contain the assessment of its own performance in terms of the individual members and collectively.

Article 67-a

 Apart from the requirements to be met by the persons with special rights and responsibilities, the members of the Audit Committee must also be familiar with:

1. the bank’s operations, its products and services;
2. the risks to which the bank is exposed;
3. the bank’s internal control systems and risk management policies; and
4. accounting and auditing.

Article 67-b

 Meetings of the Audit Committee shall be held at least once every quarter.

 Meetings of the Audit Committee shall be convened by the Chairman or, in his/her absence, the Vice Chairman, elected from among the members of the Committee.

 The meetings shall be convened by written invitation sent by email, specifying the date, time, and place of the meeting, and including the proposed agenda.

 The materials for the meeting shall be submitted to the members together with the invitation, or as an exception, they can be submitted at the meeting itself.

 The Audit Committee can only hold a meeting, if the majority of the members are present. The Audit Committee shall take its decisions by a public vote, and such decisions shall be considered adopted if voted on by the majority of the total number of members.

 Minutes shall be taken of each meeting of the Audit Committee.

 The minutes shall be prepared within 7 days following the meeting.

 The minutes shall contain information on the time and place of the meeting, the attending members, the agenda, the issues that have been voted on, the results of each vote, and the decisions adopted at the meeting.

 The minutes shall be signed by all Audit Committee members attending the meeting.

Article 68

 The Audit Committee shall carry out the following tasks:

* review the bank’s financial statements and ensure the accuracy and transparency of the disclosed financial information about the bank’s operations in accordance with the accounting regulations and the international accounting standards;
* review and assess the internal control systems;
* monitor the work and assess the efficiency of the internal audit service;
* monitor the bank’s audit process and assess the work of the audit firm;
* adopt the bank’s accounting policies;
* monitor the bank’s compliance with the regulations relating to the accounting standards and financial statements;
* hold meetings with the Management Board, the Internal Audit Service, and the audit firm regarding any non-compliances with the regulations;
* review the reports of the Risk Management Committee;
* propose the appointment of an audit firm and terminating the contract concluded with the audit firm;
* report to the Bank's Supervisory Board on its activities at least once every three months;
* evaluates its own work at least once a year in terms of the individual members and collectively;
* submit a semi-annual and an annual report on its operations to the Supervisory Board of the Bank, whereby the annual report shall contain the self-assessment of its own work in terms of individual members and collectively; and
* perform other tasks in accordance with the legal regulations, these Articles and other acts of the Bank.

Article 68-a

 With its Rules of Procedure, the Audit Committee shall regulate in detail the manner of conducting business, the procedure of taking decisions at the meetings, etc.

**5. MANAGEMENT BOARD**

Article 69

 The Management Board of the Bank is comprised of 3 (three) members: one Chief Executive Officer and two Executive Directors.

The Supervisory Board of the Bank shall appoint the members of the Management Board by adopting a decision after obtaining a prior consent from the National Bank, for a term of 5 years.

 With the decision of the Supervisory Board on appointing the members of the Management Board, the member appointed as Chief Executive Officer shall be appointed Chairman of the Management Board.

 The Chief Executive Officer i.e. the Chairman of the Management Board shall monitor and coordinate the operations of the Management Board and the overall operation of the Bank.

 The Bank’s Management Board shall represent and act on behalf of the Bank and manage its operations. The Bank shall be represented at any time by two members of the Management Board, one of whom must be the Chief Executive Officer i.e. the Chairman of the Management Board. In his/her absence, he/she may assign such right only to another member of the Management Board.

 The Chief Executive Officer/Chairman of the Management Board shall represent the Bank before third parties. The manner of representing the bank shall be regulated in more detail by the Rules of Procedure of the Management Board.

Article 69-a

 Each member of the Bank’s Management Board must hold the appropriate higher education degree and possess knowledge of regulations relating to banking and/or finances, have sufficient experience that will ensure safe and stable bank management, and have at least six years of successful work experience in the area of banking and/or finances or three years of work experience as a person with special rights and responsibilities in a bank with activities appropriate for the bank in which he/she is appointed.

 The members of the Management Board should have the professional knowledge and experience necessary to perform independent management of the Bank's affairs, particularly for the purpose of understanding the activities performed by the Bank and the material risks to which it is exposed, in accordance with the rules of corporate governance, pursuant to the Law on Banks.

 The members of the Management Board must have established a permanent employment relationship with the bank, and at least one of the members must know the Macedonian language and its Cyrillic alphabet, and have a permanent residence in the Republic of North Macedonia.

 No person who is subject to the restrictions defined in Article 39-a can be a member of the Management Board.

Article 70

 The Bank’s Management Board shall be responsible for the legal compliance of the Bank’s operations.

 The Bank’s Management Board shall report to the Supervisory Board.

 The Bank’s Management Board shall submit reports on its activities to the Bank’s Supervisory Board at least once every quarter.

 The Management Board shall perform self-evaluation of the effectiveness and efficiency of its individual members at least once a year and report the conclusions of the self-evaluation to the Supervisory Board.

Article 71

 The Bank’s Management Board shall carry out the following tasks:

* manage the bank’s operations;
* represent the bank;
* implement the decisions of the Shareholders’ Assembly and the Supervisory Board or ensure their implementation;
* take initiatives and make proposals on improving the bank’s operations;
* appoint and dismiss persons with special rights and responsibilities in accordance with the law and these Articles;
* create the bank’s business policy and development plan;
* prepare the bank’s financial plan;
* decide on financial activities in amounts of up to EUR 500,000.00 in denar equivalent;
* decide on capital investments and purchase of securities amounting less than 1% of the bank’s own funds, save for purchase of securities issued by the National Bank and state securities;
* decide on the purchase, sale and lease of the bank’s fixed assets, and approve assets for other purposes amounting to less than 5% of the bank’s own funds;
* create the bank’s information security policy;
* prepare the management report and submit it to the Supervisory Board;
* adopt the act for organization of the bank’s activities and systematization of the work and duties, and technological changes in the work process;
* make decisions on hiring new employees, allocation and rewarding of employees in accordance with the legal regulations;
* develop the bank’s code of ethics;
* establish inventory commissions for taking the inventory of assets and sources of funds, a commission for discharge and disposal of fixed assets and petty inventory and, if needed, establish other commissions and working bodies for carrying out specific tasks, and appoint their members;
* perform other tasks as specified in the legal regulations, the Articles, and other acts of the bank.

Article 71-a

The Bank’s Management Board shall be responsible for:

* providing conditions for the operation of the bank in accordance with the regulations;
* managing and monitoring the risks to which the bank is exposed in its operations;
* achieving and maintaining an adequate level of own funds;
* the functioning of the internal control system in all areas of operation of the bank;
* the uninterrupted functioning of the bank’s internal audit service;
* keeping the bank’s trade and other books and business documents, and preparing financial and other statements in accordance with the accounting regulations and standards;
* ensuring timely and accurate financial reporting;
* the uninterrupted functioning of the Regulatory Compliance Service;
* adopting and implementing a policy on the method of election, monitoring the performance of, and dismissal of persons with special rights and responsibilities, with the exception of the members of the Supervisory Board, the Risk Management Committee, the Audit Committee, and the Management Board;
* ensuring the regular submission and accuracy of the reports to the National Bank in accordance with the law and legal regulations;
* implementing the measures imposed towards the bank by the Governor.

The Management Board shall immediately notify the Supervisory Board:

* in case of decreased liquidity or solvency of the bank;
* in case of existence of grounds for revoking the license of incorporation and operation, or imposing a ban on the performance of a particular financial activity, in accordance with the law;
* in case of reduction of the bank’s own funds below the prescribed level in accordance with this law;
* of the findings of National Bank’s supervision and inspection; and
* of the findings of the Public Revenue Office and other control authorities.

Any member of the Management Board shall immediately notify the Supervisory Board in case they or persons related to them acquire the control of another legal entity.

Article 72

 The Management Board may grant certain powers to officers with special rights and responsibilities and to other qualified employees of the Bank by adopting a special decision.

 The Bank’s Management Board may authorize officers with special rights and responsibilities and other qualified employees to enter into agreements and sign individual deeds of the Bank.

 The authorized persons referred to in the preceding paragraph may not assign their granted powers to other employees without the consent of the Management Board.

 The Bank’s Management Board shall make decisions, adopt resolutions, instructions and other regulations regarding the manner of signing and initialing of the deeds and authorizations for signing the acts.

 The Management Board shall, at least once a week or more often as necessary, hold meetings to take decisions arising from the process of management, representation, and acting on behalf of the bank.

 The Management Board’s quorum shall be constituted if the majority of the total number of its members is present at the session of the Board, and the decisions shall be adopted with a majority vote of the total number of members present. Minutes shall be prepared for the work at the Management Board’s session, which shall be signed by the members of the Management Board present at the session.

 The Management Board may work and decide at a session held using a conference call or other audio and visual communication equipment, so that all members participating in a meeting organized in such manner can hear and see each other and discuss with one another. Participation in such meetings shall be considered attendance and in-person participation by the members involved in this way.

 The Rules of Procedure shall regulate in detail the manner of conducting business, as well as the method of convening, holding, and taking decisions at the meetings of the Management Board.

Article 72-a

 Powers and responsibilities are divided among the Bank’s Management Board members as follows:

* The Chief Executive Officer/Chairman of the Management Board shall be responsible for the operations of the Legal Affairs Department, Regulatory Compliance Service, Money Laundering and Terrorism Financing Prevention Service, Corporate Banking Department, Retail Banking Department, Loan Center Department, Human Resources Department and Marketing and Advertising Department;
* One Executive Director shall be responsible for the operations of the Branch Network Department, Strategic Clients Department, Treasury Department, Security Department, Non-banking Operations Service and Contact Center Service;
* One Executive Officer shall be responsible for the operations of the Risk Management Department, Non-performing Loans Management Department, Finance and Accounting Department, Information Technologies Department, Payment Systems Department, Payment Cards Operations Department and Loan Administration Department.

Article 73

 The Bank’s Supervisory Board shall, in accordance with the legal regulations, enter into separate management agreements with each member of the Bank’s Management Boards, specifying the tasks, obligations, rights, remuneration, and the amount of the personal insurance premium, the compensation in case of termination of the management contract through no fault of the Management Board member, the profit participation, etc.

Article 74

 The Management Board members shall be granted, for their service, the right to participate in the profits, that is, a share in the Bank’s annual profits.

 The share shall be calculated as the annual profit less any losses carried forward from previous years, and any amounts deducted as reserves from the annual profit, in accordance with the law and the Bank’s Articles of Association.

 The profit share may be paid in cash and/or in shares in the manner and under the terms and conditions specified by law, to be decided by the Shareholders’ Assembly.

 When determining the total remuneration amounts for the Management Board members (wages, profit participation, insurance compensation, etc.) the total amounts shall correspond to their tasks and their personal contribution to the successful performance of the Bank.

Article 75

 The management contract of a member of the Management Board may be terminated:

* in case of a serious breach, committed during his/her service, of the existing regulations applicable to the operations of the Bank, the Articles, and the other acts;
* in case of legal obstacles to his/her office;
* at the request of the member of the Management Board;
* at the discretion of the Supervisory Board through no fault of the Management Board member and without stating the reasons thereof, in which case the member shall be entitled to compensation in the amount specified in the management contract.

 The term of office of a Management Board member may be terminated early by a dismissal from office due to any conduct contrary to the law, the Articles, and the good business practices, death or permanent inability to work or upon personal written request.

 In terms of good business customs and practices, the term of office of a member of the Management Board may be prematurely terminated if a member:

* for his own or someone else's account, personally or through third parties, performs tasks within the scope of the Bank, or advises persons, which may be considered a competition for the Bank;
* is hired by or becomes a partner of an audit company appointed as an external auditor of the Bank.

Article 76

 Before terminating the management contract, the Supervisory Board shall allow the Management Board member to give his/her statement regarding the reasons for his/her termination.

Article 77

 Where the persons with special rights and responsibilities determine that a decision adopted by any of the bank's bodies is contrary to the law or other legal regulations or that its weight is such that it can jeopardize the bank's liquidity and its stability and security, they shall notify the Supervisory Board and the National Bank thereof in writing.

**6. OTHER UNITS AND BODIES (COMMISSIONS AND COMMITTEES)**

Article 77-a

 From among its members, the Supervisory Board may establish a Reward, Election and Appointment Committee, which assists in the effective implementation of the Employee Recognition and Reward Policy, participates in the procedure for election and appointment, monitoring of the activities and dismissal of the members of the Supervisory Board, the Risk Management Committee, the Audit Committee and the Management Board.

 In addition to the committee referred to in the previous paragraph, the Supervisory Board may also establish other committees that will help in the implementation of a part of its activities. For specific issues within the scope of the bank's operations, the Management Board may establish boards, committees, working groups and other bodies, as necessary.

 The composition, responsibilities, powers and organization of the operations of the committees, commissions and other bodies of the Bank shall be regulated by separate rules of procedure for the organization and operation thereof and by the decisions on establishing the specific bodies.

Article 77-b

 The Bank’s Supervisory Board shall establish a Credit Committee and specify the number of its members.

 The Credit Committee is composed of 5 (five) members as follows:

* Head of Risk Management Department;
* Head of Corporate Banking department;
* Head of Legal Affairs Department;
* Head of Strategic Clients Department, and
* Head of the Credit Risk Sector.

 The term of office of the Bank’s Credit Committee members shall run from the date of their appointment until the date of their dismissal upon a corresponding decision of the Supervisory Board, or withdrawal by the member.

 The Credit Committee takes its decisions at meetings presided over by the Chairman.

 Meetings may only be held if attended by at least three members, with the presence of the Head of the Risk Management Division or the Head of the Credit Risk Sector.

 The Credit Committee shall take decisions with unanimous consent of all members present at the meeting.

 The Credit Committee, within the framework of the competencies and limits set by the Supervisory Board and the Rules of Procedure of the Credit Committee, shall review and decide upon credit line requests from clients and submit, if necessary, draft decisions for approval to the Bank's Management Board.

Article 77-c

 The Rules of Procedures of the Credit Committee shall regulate in details the composition, competencies, powers and organization of the operations of the Bank’s Credit Committee.

Article 78 – deleted

Article 79 – deleted

Article 80 – deleted

Article 81 – deleted

Article 81-a – deleted

Article 82 – deleted

**OFFICERS WITH SPECIAL RIGHTS AND RESPONSIBILITIES**

Article 83

 Officers with special rights and responsibilities in the Bank are the members of the Bank’s Supervisory Board, the members of the Bank’s Management Board, the members of the Audit Committee, the members of the Risk Management Committee and the Credit Committee, the Chief Compliance Officer, the Chief Risk Officer, the Chief Sales Officer, the Chief Business Development Officer, the Chief Operating Officer, the Head of Internal Audit Service, the Head of the Regulatory Compliance Service, the Head of the Money Laundering and Terrorist Financing Prevention Service, as well as heads and their deputies of the Bank’s departments.

 The heads of departments, the Head of the Regulatory Compliance Service, the Head of the Money Laundering and Terrorist Financing Prevention Service, deputy heads of departments, the Chief Compliance Officer, the Chief Risk Officer, the Chief Sales Officer, the Chief Business Development Officer, the Chief Operating Officer as officers with special rights and responsibilities shall be appointed by the Bank’s Management Board and their term of office shall run from the date of their appointment until the date of their dismissal under a corresponding decision or until they relinquish their office.

 The Chief Compliance Officer manages the Legal Affairs Department, the Regulatory Compliance Service and the Money Laundering and Terrorism Financing Prevention Service, and reports to the Executive Officer competent for the respective departments.

 The Chief Risk Officer manages the Risk Management Department, the Non-performing Loans Management Department and the Credit Administration Department, and reports to the Executive Officer competent for the respective departments.

 The Chief Sales Officer manages the Branch Network Department, the Strategic Clients Department and the Contact Center Service, and reports to the Executive Director competent for the respective departments.

 The Chief Operating Officer manages the Information Technologies Department, the Payment Systems Department and the Payment Cards Operations Department, and reports to the Executive Director competent for the respective departments.

 The Chief Business Development Officer manages the Corporate Banking Department, the Retail Banking Department, the Credit Center Department and the Marketing and Advertising Department, and reports to the Executive Director competent for the respective departments.

 The powers, rights and responsibilities of the heads of the departments, the Head of Internal Audit Service, the Head of the Regulatory Compliance Service, the Head of the Money Laundering and Terrorist Financing Prevention Service and their deputies as officers with special rights and responsibilities are as follows: providing conditions for the operation of the division in accordance with the regulations, managing, organizing, controlling all processes in the department, taking initiatives and making proposals for improvement of the operation of the department, etc. The rights, powers, and responsibilities of the heads of the bank's departments, the Head of the Internal Audit Service, the Head of the Regulatory Compliance Service, the Head of the Money Laundering and Terrorist Financing Service and their deputies are regulated under an Act for systematization of work positions in the Bank.

Article 84

 The officers with special rights and responsibilities perform the activities for which they are authorized in accordance with the law and the general rules and regulations of the Bank, and the tasks that will be assigned to them by the Bank's Management Board under a special deed.

 Officers with special rights and responsibilities shall act solely in the interest of the Bank and its clients, and shall act with due care and diligence of a reasonably prudent person.

 If any officer with special rights and responsibilities believes that a decision of a bank's body is contrary to the law or other regulation adopted on the basis of such law, or its content is such that it can jeopardize the bank's liquidity and its stability and security, he/she shall notify the Supervisory Board of the bank and the National Bank in writing.

**7. INTERNAL AUDIT SERVICE**

Article 85

 The Bank’s Supervisory Board shall establish an Internal Audit Service as an independent organizational unit of the Bank.

 The Supervisory Board shall appoint, monitor the performance of and dismiss the Head of the Internal Audit Service.

 The Service referred to in paragraph 1 above shall perform continuous and complete control of the compliance, regularity and promptness of the Bank's operations, by:

* monitoring the implementation of the Bank’s internal procedures and policies and the code of ethics;
* assessing the general efficiency of the Bank’s operations;
* monitoring the compliance with the regulations,
* assessing the adequacy and efficiency of the internal control systems;
* assessing the implementation of the risk management policies;
* assessing the information system setup;
* assessing the accuracy and reliability and timeliness of reporting in accordance with the regulations;
* assessing the systems for prevention of money laundering;
* assessing the services that the Bank receives from companies providing supporting services to the Bank;
* assessing the accuracy and reliability of accounting books and financial statements.

The Internal Audit Service shall act in a preventive and instructive manner, and perform its activities independently and autonomously.

The Internal Audit Service shall notify the Bank’s Supervisory Board of the conducted controls and of any risks relating to the Bank’s financial position.

The Internal Audit Service is obliged to prepare a semi-annual and annual report for its operations and submit them to the Supervisory Board, the Management Boards and the Audit Committee of the Bank.

Article 86

Internal control in the Bank shall be conducted on regular basis.

The control shall be performed in order to prevent any irregularities in the operations and provide for timely detection and timely guidance on measures and procedures for further action.

Article 87

 The employees of the Internal Audit Service shall perform only the duties of their position and at least one of them shall have an auditor’s authorization i.e. license.

 The organizational structure, rights and responsibilities and relations with the other organizational units of the Bank, as well as the responsibility and requirements for appointing the head of the Internal Service shall be regulated by the Supervisory Board.

Article 87-a

 The Bank’s Management Board shall appoint an officer or establish a service controlling the Bank’s compliance with the legal regulations.

 The officer, that is, the service referred to in paragraph 1 above shall be responsible for identifying and monitoring the risks of the Bank’s non-compliance with the regulations. Such non-compliance risk shall include, in particular, risk of measures imposed by the National Bank, risk of financial losses and reputational risk as a consequence of the Bank’s failure to comply with the regulations.

 The officer or the employees of the service referred to in paragraph 1 above shall only perform the duties referred to in paragraph 2 above and shall be independent in the performance of the activities under its competence.

 The Bank’s employees shall allow the officer, that is, the employees of the service referred to in paragraph 1 above to inspect the available documents and provide them with all information necessary.

 The officer, that is, the head of the service referred to in paragraph 1 above shall submit monthly reports to the Management Board and a semiannual report to the Supervisory Board.

**CONFLICT OF INTEREST**

Article 88

 Every six months, the officers with special rights and responsibilities shall issue a written statement on the existence or non-existence of a conflict of their personal interest with the interest of the bank.

 Personal interest as referred to in paragraph 1 above shall also include the interests of related parties.

 A conflict between the personal interest and the interest of the Bank exists when the adoption of decisions, the conclusion of contracts, or the performance of other business activities affects the material or any other type of business or family interests of the persons referred to in paragraphs 1 and 2 of this Article.

 Having a material, business, or family interest means gaining a monetary or other benefits, directly or indirectly, by the persons referred to in paragraphs 1 and 2 of this Article.

 The persons referred to in paragraph 1 of this Article may not be present during the consideration and adoption of decisions, enter into contracts or perform other business activities if their objectivity is called into question due to a conflict between their personal interest and the interest of the Bank.

A written statement regarding the existence of a conflict of interest shall also be given prior to the holding of the meeting for consideration and adoption of decisions, entering into contracts, or performing other business activities.

The written statements referred to in paragraphs 1 and 6 of this Article shall be submitted to the Supervisory Board and the Management Board of the Bank and shall state the circumstances giving rise to the conflict between the personal interest and the interest of the Bank.

Where the person referred to in paragraph 1 above fails to disclose a conflict of interest, the National Bank and any other person having a legal interest may request annulment of the legal matter before the competent court, in accordance with the law.

Article 89

 The members and persons referred to in Article 88 may not take part in the adoption of decisions if their objectivity is called into question due to the existence of a common interest or conflict of interest with persons included in the relevant contract or legal matter.

 Before discussing the relevant matter, a statement shall be made regarding the existence of any common interest or conflict of interest.

 A member or a person of paragraph 1 having a material interest or a material relation shall leave any meeting at which the matter is discussed, and shall refrain from voting on any matter related thereto.

Article 90

 For the purpose of Articles 88 and 89, an interest shall be considered material if the members or persons have material benefit or business and family interests, or create material benefit for another legal entity, which they own, directly or indirectly, or they have common interest, or manage such legal entity.

Article 91

 Where the members and persons of Article 88 fail to disclose the existence of a material interest or conflict of interest in accordance with these provisions, a court of competent jurisdiction may, upon request of the Bank or a bank shareholder, suspend the contract or the legal matter in question.

**PROCEDURE FOR ADOPTING AND AMENDING**

**THE BANK’S ARTICLES OF ASSOCIATION AND OTHER ACTS**

Article 92

The Bank’s general rules and regulations are:

- the Bank’s Articles of Association;

- Rulebooks and other general regulations of the Bank.

Article 93

 The draft general regulations, which shall be adopted by the Shareholders’ Assembly as specified herein, shall be prepared and determined by the Bank’s Supervisory Board.

 The Bank’s Supervisory Board may form working groups to prepare the Bank’s draft general regulations.

 The Supervisory Board shall determine the text of the draft Articles, and submit it to the Shareholders’ Assembly for adoption, upon prior consent from the National Bank.

 Any amendments to the general regulations adopted by the Shareholders’ Assembly shall be made according to the same procedure used for the adoption thereof.

Article 94

 The draft general rules and regulations to be adopted by the Bank’s Supervisory Board as specified herein shall be prepared and determined by the Bank’s Management Board.

 Any amendments to the general rules and regulations adopted by the Bank’s Supervisory Board shall be made according to the same procedure used for the adoption thereof.

Article 95

 The Bank’s individual rules and regulations shall be in accordance with the Bank’s Articles of Association.

 The Bank’s individual rules and regulations shall be adopted by the appropriate body of the Bank, according to the powers granted in these Articles and the other regulations of the Bank.

 The Bank’s Management Board shall adopt the Bank’s individual rules and regulations in accordance with the legal powers and the powers granted under these Articles and the other regulations of the Bank.

**BANK SECRECY**

Article 96

 Any documents, data and information acquired by performing banking and other financial activities for individuals and transactions with individuals as well as in relation to deposits of individuals shall be considered a bank secrecy that the Bank is required to protect and keep confidential.

Article 97

 Officers with special rights and responsibilities, shareholders and bank employees, as well as other persons who, by rendering services to the bank, have access to the documents, data and information acquired during the performance of banking and other financial activities for individuals and transactions with individuals and in relation to deposits of individuals, shall keep them confidential, and they may use them only for the purposes they were obtained for, and may not disclose them to third parties.

 The obligation of confidentiality shall not apply to the officers with special rights and responsibilities, the shareholders and the employees of the Bank only in cases where the disclosure of the data and information is required by law, the respective person has given a written consent to the disclosure of the data and in other cases provided for by law.

The confidentiality obligation shall survive even after the termination of the employment, that is, after the termination of existence of the grounds and the status based on which the access to the data regarded as bank secrecy was granted.

**PROVISION OF INFORMATION AND REPORTING**

Article 98

 The Bank’s operations shall be a matter of public knowledge.

 The Bank’s shareholders, business partners, clients, and depositors shall have the right to be informed about the Bank’s operations.

 Every shareholder shall have the right to inspect the deeds and documents in accordance with the law.

 The shareholder shall previously announce the intention to exercise the right to inspection of the documents in the Bank. The inspection will be carried out in a special room designated by the Bank for such purpose.

 The shareholder may not disclose or publish the information obtained with the inspection of the documents, except in the cases of exercising a right before a competent court.

 If the shareholder who had access to the information publishes or otherwise misuses the information and thereby causes damage to the Bank, he shall be liable before the Bank for the damage caused.

 The Bank's shareholders, customers and other parties shall be informed about the Bank's operations through the Bank's website and in other ways in accordance with the law. The form and content of the information, as well as other issues related to the provision of information shall be regulated with a special general regulation.

 The Bank shall notify the National Bank in a timely and appropriate manner, as well as submit reports and data in a specified manner, form, content and within the deadlines provided for in the legal regulations.

**RESOLUTION OF DISPUTES BETWEEN BANK’S SHAREHOLDERS**

Article 99

 Any disputes between Bank’s shareholders shall be resolved amicably through the mediation of the Bank’s Supervisory Board.

 Any disputes between the Bank’s shareholders that cannot be resolved amicably shall be resolved before a chosen or regular court.

**INTERNAL CONTROL SYSTEM AND CONTROL FUNCTIONS**

Article 100

 The Supervisory and Management Board of the Bank shall establish an internal control system that ensures efficient operation of the Bank in accordance with the regulations, adequate identification, measurement and control of the risks in order to reduce them, evaluation of the efficiency and adequacy of the control functions and of the overall corporate management, including assessment of the quality of the reporting system to the Supervisory and Management Board, accuracy and timeliness of the information and data that are delivered to the Bank's bodies, to interested parties and to the general public, as well as appropriate operational and accounting procedures. The Supervisory and Management Board of the Bank ensure complete independence of the control functions by:

* establishing an appropriate organizational setup of the control functions by separating them and by dividing the activities that are subject to their control;
* appointing persons responsible for the control functions who are not subordinate to the persons responsible for the activities that are subject to their control;
* providing adequate human and material resources for independent, objective and efficient performance of control functions;
* setting up the functions, which will enable the avoidance of conflict of interests;
* ensuring unhindered access to all employees of the Bank and to all the information needed for the efficient implementation of the appropriate control function;
* establishing a reward system for the persons involved in the performance of separate control functions, which is not related to the success of the activities that are subject to their control;
* establishing a mechanism for smooth cooperation between the persons involved in the performance of separate control functions and the rest of the Bank's employees.

The Supervisory Board shall specify the competences, the manner of organizing and functioning of the internal control in accordance with the provisions of this Statute in a separate internal regulation.

**RECOGNITION AND REWARD POLICY**

Article 101

 The Employee Recognition and Reward Policy of the Bank shall specify clear and transparent rules and criteria for determining the amount of the total remuneration, and especially provide for a clear determination and differentiation between the fixed and variable part of the total remuneration.

 The Supervisory Board of the Bank shall regularly review the adequacy of the Recognition and Reward Policy at least once a year. The Bank shall publish the information related to the Recognition and Reward Policy and the reward practices to the extent and in the manner specified by the provisions that are binding on the Bank.

**ENVIRONMENTAL AND SOCIAL RESPONSIBILITY**

Article 102

 The Bank takes care of sustainable financial operations, taking into account social and environmental risks and possibilities to protect and improve the environment. The Supervisory and Management Board shall take into account relevant environmental issues and issues of social interest in performance measures and incentives.

 The Bank's criteria for sustainable financial operations and environmental protection will be more closely specified in the internal regulations of the Bank.

**TERMINATION OF THE BANK’S OPERATIONS**

Article 103

 The Bank shall terminate its operations:

* when the Shareholders’ Assembly adopts a decision on termination;
* when the National Bank revokes the license of incorporation;
* in case of any statutory changes as a result of which the Bank loses its status as an independent legal entity;
* in case of initiation of bankruptcy proceedings.

**TRANSITIONAL AND FINAL PROVISIONS**

Article 104

 Upon adoption of these Articles of Association, the consolidated text of the Bank’s Articles of Association as of May 26, 2023 shall cease to be valid.

 Any matters not provided for in these Articles of Association shall be subject to the relevant provisions of the legal regulations governing the specified matter.

Article 105

 The authentic interpretation of these Articles shall be made by the Shareholders’ Assembly.

Article 106

 These Articles of Association shall produce legal effect upon their entry into the trade register.

Chairman of the Supervisory Board