

Internal Regulation of
Stopanska Banka AD - Skopje
("SB" or "the Bank")

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I. INTRODUCTION

This Internal Regulation (the “Regulation”) has been drafted in compliance with the corporate governance and reporting standards of the National Bank of Greece Group applicable for its key subsidiaries.

This Regulation includes information on the Supervisory Board and its Committees, the Board of Directors (executive management), the organizational structure of the Bank, the Internal Control System, compliance and notification procedures, transactions with related parties, and the governance policies of the Bank. Note that the principles and obligations observed by the Bank under the applicable laws and regulations are not limited to those referred to in this Regulation.

The Regulation is supplementary to the provisions of the Statute of SB and the Corporate Governance Code.

After approval by the Supervisory Board, this Regulation is duly published on the Bank's website.

II. SUPERVISORY BOARD AND BOARD COMMITTEES

A) Composition:

The Bank is supervised by Supervisory Board (the “Sup Board”), consisting of 7 members, and represented in all its affairs as per the SB Statute.

In accordance with the legal framework in force, the SB Statute and the Corporate Governance Code, SB’s Sup Board is composed of non-executive members – representatives of the majority shareholder (NBG) and independent members. The Sup Board members are elected by the Shareholders Assembly. At least $\frac{1}{4}$ of the members must be independent members.

The independent members are free from financial, business, family or other dependent relations, which can influence their decisions and their independent and objective judgment, and in any case they must meet the criteria of independence of the Banking Law and the internal policies of the Bank, as applicable.

The Sup Board takes the necessary measures to ensure compliance with the above requirements. Fulfilment of the conditions regarding the status of a Sup Board member as an independent member is reviewed by the Sup Board on at least an annual basis per financial year and in any event prior to the disclosure of the annual financial report which includes the relevant observation. If during the review as to whether the said requirements are fulfilled or in the event that it is ascertained at any time that the

independent member no longer fulfils the said requirements, the Sup Board shall take the necessary actions to replace him.

The Policy for the manner of appointing, monitoring and dismissal of members of SB bodies provide for the procedures to be followed in affirming the suitability and independence criteria of Sup Board members.

The Sup Board members make representations and disclosures confirming compliance with the current regulatory framework and stating their particulars and the particulars of the persons closely associated with them.

As also defined in the Policy for the manner of appointing, monitoring and dismissal of members of SB bodies, the requirement on Sup Board members to meet the suitability criteria is ongoing and, in line with the procedures followed, the relevant particulars of the board members and of the persons closely associated with them are subject to review and update upon submission of the related declarations on a regular-annual basis.

B) Authorities of the Supervisory Board Members

As per the SB Statute and Corporate Governance Code, the Sup Board is responsible for ensuring strategic direction, management supervision and effective control of SB, with the ultimate goal of increasing the long-term value of the Bank and protecting the corporate interest at large, in compliance with the provisions of the law. The Sup Board responsibilities are clearly defined in the Law on Banks.

The Board, under its authority, may decide to delegate part of its powers in specific areas to one or more of its members, to its Committees, or to executives and staff of the Bank. It is also entitled to delegate particular rights to the CEO, other members of the Board of Directors to further confer delegated authorities to the staff of the Bank or to third parties, according to the specific provisions of the Bank's Statute.

Sup Board members have a duty of loyalty to the Bank. They should strive to avoid conflicts of interests with the Bank and the NBG Group Companies, pursuant to the provisions of the relevant Bank's policies regarding avoidance of conflicts of interest.

In particular, the Sup Board members, including the independent members, have, specifically, the following obligations:

- to monitor and review the Bank’s strategy and its implementation, as well as success in attaining its objectives,
- to ensure effective oversight on the Board of Directors, including the monitoring and review of their performance,
- to review and express opinions regarding proposals submitted by the Board of Directors, on the basis of available information.

The Sup Board members proceed to submitting reports to the annual or extraordinary general meeting of the Bank’s shareholders, in accordance with the framework in force.

The responsibilities and duties of the members of the Supervisory Board are further described in the SB Statute and in the Corporate Governance Code of the Bank.

C) Remuneration of Supervisory Board and Board of Directors Members

The general framework for the remuneration of the members of the Supervisory Board and the Board of Directors is set out in the SB's Remuneration Policy, as per the applicable legal and regulatory provisions, and in line with the principles set out in the SB Remuneration Policy.

The Policy is available on the Bank’s website (<https://www.stb.com.mk>).

D) Board Committees

The Bank has set up three committees that operate at Board level: the Audit Committee, the Remuneration Committee, and the Risk Management Committee. The Rules of Procedures of the Committees are available at the Bank’s website (<https://www.stb.com.mk>).

i. Audit Committee

The Audit Committee members shall be appointed by the Sup Board. In any case, the structure of the Audit Committee, and the number and capacity of the Committee members is prescribed by the Law on Banks. The Chair and the Vice-Chair of the Committee should be appointed by its members.

Majority members of the Committee are members of the Supervisory Board, while rest of the members are independent members according to the provisions of Law on Banks. At least one member is chartered auditor.

The mandates of the Committee members shall automatically expire if they cease to be members of the Supervisory Board, or they are lose the status of independence. However, appropriate act should confirm the status (ex. Resignation or Decision on termination of the mandate).

The purpose of the Audit Committee is to assist the Supervisory Board in fulfilling its oversight responsibility relating to:

- Financial reporting process
- External audit process
- Effectiveness of the systems of internal control
- Performance of the Internal Audit Function.

The Committee discusses all issues submitted to it by the Chair of the Sup Board or the Sup Board, and its Chair reports back to the Supervisory Board. Additionally, following the Committee meetings there is relevant feedback provided to the Supervisory Board on relevant issues as necessary. Every three (3) months and/or more frequently if deemed necessary, the Committee prepares and submits to the Supervisory Board reports on its activities regarding significant issues and, an annual report of its activities (including an assessment of its workings).

The Committee is subject to evaluation of its performance in accordance with the Bank's Policy for the manner of appointing, monitoring and dismissal of members of SB bodies.

ii. Risk Management Committee

The members of the Risk Management Committee (including its Chair and Vice-Chair) are appointed by the Supervisory Board, and determined in the SB Statute per position, accordance with the Law on Banks.

All members of the Committee are persons with special rights and responsibilities employed by the Bank and have minimum three-year experience in the area of finance or banking, to have understanding of the operations of the Bank and especially of its risk management framework. At least one member of the Board of Directors (executive) is member of the Risk Management Committee.

The Committee members shall be appointed for a term of two years. In any case, the mandates of the Committee members shall automatically expire if they cease to be persons with special rights and responsibilities of SB.

The purpose of the Committee is advising and supporting the Supervisory Board in its supervisory function regarding independently challenging, approving and overseeing the effectiveness and efficiency of risk management of the Bank. To this end, the Committee shall advise and support the Sup Board in performing its duties in respect of:

- *Risk Appetite and Risk Strategy*
- *Risk Culture and Awareness*
- *Internal Risk Management System and Structures*
- *Ongoing Risk Monitoring and Supervision*

The Committee shall review any issue referred to it by the Sup Board Chair or the Sup Board. Following Committee meetings there is relevant feedback provided to the Supervisory Board on risk related issues as necessary.

The Committee is subject to evaluation of its performance in accordance with the Bank's Policy for the manner of appointing, monitoring and dismissal of members of SB bodies.

iii. Remuneration Committee

In accordance with the Remuneration Policy of SB, the committee is composed of three Supervisory Board members, majority of whom should be the independent ones, including its Chairman, appointed by the Supervisory Board.

The Committee members shall be appointed for a term of one year, which shall be automatically renewed for successive one-year renewal terms, unless otherwise decided. In any case, the mandates of the Committee members shall automatically expire if they cease to be members of the Supervisory Board.

The purpose of the Remuneration Committee is to assist NBG's Board of Directors in performing its duties in respect of:

- *Values and HR incentives*
- *Remuneration Policy*
- *Protection of stakeholder interests*

The Committee shall review any issue referred to it by the Sup Board Chair or the Sup Board. Following Committee meetings there is relevant feedback provided to the Supervisory Board on relevant issues as necessary.

The Committee is subject to evaluation of its performance in accordance with the Bank's Policy for the manner of appointing, monitoring and dismissal of members of SB bodies.

III. ORGANIZATIONAL STRUCTURE

1. General

In accordance with the guidelines set by the Shareholders Assembly and its relevant decisions, the Bank's operations are carried out in accordance with the decisions of the Chief Executive Officer, the Board of Directors and the competent Bank officers appointed by management and/or based on the relevant provisions of the legal and regulatory framework.

The organization of the Bank is reflected through its organizational structure and the structure of its individual Units, the allocation of tasks, the delegation of powers, and the clear definition of responsibilities.

The organizational structure of the Bank and of each Unit is clearly defined and is recorded through organization charts with a clear administrative hierarchy. The organization chart of each Unit reflects its basic functions and serves its operational needs.

The Bank's activities are carried out through functional areas in which one or more Units operate.

The clear definition of responsibilities and limits of responsibility per functional area and Unit ensures the efficiency of the Bank's operations and the avoidance of cases of conflict of responsibilities and interests.

The organizational structure of the Bank and the individual Units are determined by decision by the Supervisory Board. Persons with special rights and responsibilities are determined in the SB Statute, while their appointment is made by a relevant decision of the Board of Directors.

2. Hierarchy Levels

The hierarchy levels are as follows:

1. Chief Executive Officer
2. Members of the Board of Directors
3. Senior Managers
4. Division and Deputy Division Managers
5. Regional Managers

5. Department Managers

6. Branch Managers

Type, administrative affiliation and organizational structure (administrative levels and scope of supervision) vary across Units taking into account various parameters, such as:

☐ the importance, diversity and complexity of the work performed,

☐ the volume of work,

☐ the geographical distribution,

☐ the regulatory framework.

The supervision and coordination of Units is assigned to relevant executives - member of the Board of Directors, while there are also Units that report directly to the Chief Executive Officer.

The Bank's organizational structure is presented in detail in Annex I.

3. Units' Scope & Operational Areas

The focus and the responsibilities of the Units are defined in their individual Organizational and Operational Procedures, which include the responsibilities and duties of the Head as well.

4. Officer for contact with investors

The Supervisory Board has appointed an Officer for contact with investors, which operates within the current legislative and regulatory framework.

The Officer, in cooperation with the CEO's Office, is responsible for the immediate, accurate and equal information of the shareholders, as well as their support, regarding the exercise of their rights, based on the current legislation and the Bank's Statute.

Within the framework of its responsibilities to provide services to Shareholders, in cooperation with the competent units, the unit ensures the following:

(a) all issues related with SB shares,

(b) the provision of information concerning annual or extraordinary general meetings and the relevant decisions taken,

c) communication and exchange of data and information with the central securities depositories and with intermediaries, in the context of shareholder identification,

d) overall communication with shareholders,

e) monitoring the exercise of shareholder rights, in particular as regards shareholder participation rates, and the exercise of voting rights at general meetings.

Furthermore, the Officer makes the necessary announcements regarding regulated information, and corporate events, in order to keep shareholders duly informed.

5. Internal Committees

In order to ensure and promote continuity, consistency and efficiency in the way the Bank operates, Collective Bodies operate at top management level.

The Collective Bodies operate on a permanent basis for the purpose of examining issues and taking decisions or giving opinions and proposals to the Board of Directors on issues related to the operation and activities of the Bank. The Chair and the Members of each Committee are appointed on the basis of their responsibilities regarding the subject matter of the Committee.

The responsibilities, composition and operation of the Collective Bodies are reflected in their Rules of Operation or the Decision on establishing the committee. The Collective Governing Bodies are established, updated and abolished by a decision of the Board of Directors, taking into account the organizational structure of the Bank and the need to serve its operational needs, and in the context of its harmonization with the regulatory framework.

IV. BOARD OF DIRECTORS

The Board of Directors is comprised of four members.

The Board of Directors is responsible for day-to-day management of the Bank and in implementation of the strategy and the business plan, risk management, establishing and promoting the corporate culture, establishing and implementing the internal control systems and securing operations of the Bank in compliance with the laws and regulations.

The Policy for the manner of appointing, monitoring and dismissal of members of SB bodies sets out the procedures to be applied when appointing, assessing and reviewing the suitability criteria of the Bank's Senior Management regarding the highest professional and personal skills and ethics, also in line with the current regulatory framework, the Bank's internal regulations and international best practices.

Among the key objectives of the Policy is to establish a transparent, effective and time-efficient nomination and suitability assessment process, and ensure that the structure of the Bank's Senior Management meets the highest suitability requirements in terms of ethical standards and skills, and is fully aligned with the current regulatory framework governing the Bank, and that it ensures the effective and prudent management of the Bank and the effectiveness and soundness of the Bank's governance arrangements so as to protect the interests and the reputation of the Bank.

The Board of Directors is appointed by resolution of the Supervisory Board, following the relevant proposal of the CEO in case of the other members of the Board of Directors.

In addition, the Bank has in place a Board of Directors performance evaluation mechanism, which sets quantitative and qualitative targets for the evaluation of the performance of Senior Management.

The general framework for the remuneration of the Senior Management is set out in the Remuneration Policy, in accordance with applicable laws and regulations.

The Policy is available on the Bank's website (<https://www.stb.com>).

V. INTERNAL CONTROL SYSTEM

The Internal Control System (ICS) is a set of control mechanisms and procedures covering each activity of a credit institution on an ongoing basis and contributing to its effective and safe operation.

Aiming to safeguard the reputation and credibility of the Bank towards its shareholders, customers, investors and the supervisory and other independent authorities, the Supervisory Board, following the Group standards, provides for the continuous enhancement of its ICS.

The ICS is designed to ensure effective and efficient operations, adequate identification, measurement and mitigation of risks through adequately and efficiently designed internal controls, prudent conduct of business, sound administrative and accounting procedures, reliability of financial and non-financial information reported or disclosed (both internally and externally) and compliance with laws, regulations, supervisory requirements and the NBG Group Internal Policies, Procedures and Regulations.

The ICS aims to achieve, inter alia, the following key objectives:

- Consistent implementation of the SB's business strategy through the efficient use of available resources;
- Adherence to risk-based decision making;
- Identification of the SB's process universe;
- Identification and management of all undertaken risks, including operational risk;
- Compliance with the local, and international legal and regulatory frameworks that govern the operations of the Bank and the Group, including internal regulations, IT systems and Code of Ethics;

- Adequate and efficient design of controls as well as their operating effectiveness;
- Completeness, accuracy and reliability of data and information that are necessary for the accurate, timely preparation and true and fair view of the Bank and the Group's published financial information and financial performance;
- Adoption of international Corporate Governance best practices; and
- Prevention and detection and correction of any errors and irregularities that may put at risk the reputation and the credibility of the Bank and the Group towards its shareholders, customers, investors, and the supervisory and other independent authorities.

1) Internal Audit, Risk Management, Compliance & Corporate Governance Functions

i) Internal Audit Function

Internal Audit Function is an independent and objective control function that provides advisory services designed to add value, improve internal operations and protect the SB's assets and reputation. Serving as a third line of defence, Internal Audit provides the Supervisory Board and the Audit Committee with independent assurances regarding the quality, adequacy and effectiveness of the system and related framework of corporate governance, risk management and internal audit. The Internal Audit Division Manager shall report, functionally, to the Supervisory Board and, administratively, to the CEO and may access both at any time.

The Internal Audit Function, through a risk-based approach and with unrestricted access to all data and staff of the organization, covers all entities and activities of SB. It evaluates the risk exposures relating to the attainment of the SB's strategic objectives, compliance with the applicable regulatory framework and supervisory requirements, the execution of its Rules of Procedure, the reliability of financial and operating information, the application of IT systems and the implementation of projects, the conduct of operational activities, and the safeguarding of assets. Special focus and priority are placed on areas of higher risk. Executive management is responsible for ensuring that issues raised by the Internal Audit Function are addressed within an appropriate and agreed timeframe.

ii) Risk Management Function

Risk Management at SB has a structured and tiered approach, composed of governance bodies, internal policies and procedures, and control framework.

The Supervisory Board bears ultimate accountability for SB's risk position. It signs off on the risk strategy and risk appetite and monitors the effectiveness of risk governance and management advised by its specialised committee: the Risk Management Committee (RMC). The Bank's Board of Directors are in charge of daily management actions and steering the business. The SB Chief Risk Officer (CRO) is a member of the Board of Directors, Risk Management Committee and the Credit Committees. The CRO has direct access to the Board of Directors, has been delegated to make decisions regarding executive matters concerning risk, and heads the Risk Management Function.

The Risk Management Function has specialized teams per risk type. The Risk Management Function teams conduct day-to-day risk management activities in line with policies and procedures approved by the RMC, the Board of Directors and other committees. The perimeter is based on the industry standard "Three Lines of Defence" model. The Risk Management Function's activities are supported by underlying systems and infrastructure. Finally, risk culture is viewed as a core component of effective risk management, with the tone and example set by the Supervisory Board and the Board of Directors. The objective of the Bank is to establish a uniform Risk Culture across all units.

The SB's risk management is spread across three different levels, in order to create Three Lines of Defence. The duties and responsibilities of all lines of defence are clearly defined and separated, and the relevant units are sufficiently independent.

iii) Compliance Function

The main mission of the Compliance Function is to establish and implement appropriate and up-to-date policies and procedures, with a view to achieving in a timely manner the Bank's full and ongoing compliance with the applicable regulatory framework and to ensure constant information as to the level of achievement of that target. When introducing relevant policies and procedures, the complexity and nature of the Bank's activities, including the development and promotion of new products and business practices, are also assessed.

With a view to appropriately incorporating the applicable local legal and regulatory framework and Group best practices into the SB's operations, the Compliance Function oversee all compliance matters, in line with the applicable regulatory framework and supervisory authorities' decisions. In particular, the Compliance Function include two Departments, which are responsible for Compliance and AML/CFT activities.

The Compliance Function monitor on an ongoing basis developments in the applicable regulatory framework and best practices, and provide guidelines and support to the Bank Units, while they also monitor implementation of the applicable provisions.

In order to comply with the current regulatory framework, the Bank has set up policies and procedures. The areas under supervision include inter alia: AML/CFT, tax authorities 'and other public authorities' requests, Banking Secrecy, Personal Data Protection, etc.

Moreover, the Compliance Function provide support, advice and guidance to the Bank's Units in order to ensure the Bank's alignment and compliance with the new legal framework and proceed to actions regarding changes in policies and procedures, as well as compliance with national legislation.

iv) Corporate Governance Function

The Corporate Governance Function is under authority of the Bank Secretary and the CEO's Office that oversees all Corporate Governance activities.

Bank Secretary is responsible for observing the legal and regulatory framework regarding the effective functioning and support of the Supervisory Board, Board of Directors, Audit Committee and Remuneration Committee, for proper communication and information flow between the Board of Directors and the rest of the SB bodies, for keeping the Minutes of the meetings as well as for ensuring that the Bank's corporate governance rules and relevant provision of information to shareholders are upheld.

In cooperation with the Compliance Function and the Officer for contact with investors, it is also involved in all matters related with the shareholders of the Bank.

The Bank Secretary reports directly to the CEO.

2) Periodic appraisal of ICS

Internal Audit Division supports the Bank to deliver its objectives, contributing to the regular, systematic and methodical assessment and improvement of the efficiency of the corporate governance system, the risk management framework and the internal control system of SB in line with its Rules of Procedure, the applicable standards, and the relevant laws and regulations.

Accordingly, the Internal Audit Division ensures:

- The preparation of reports to the Supervisory Board via the Audit Committee on a quarterly basis or whenever requested by the Audit Committee, with regard to:
 - a) the implementation of the annual control plan;
 - b) the main conclusions and recommendations deriving from regular and specific controls and investigations; and
 - c) any key findings that have not yet been resolved.

- The preparation of the annual report submitted to the Supervisory Board through the Audit Committee with regard to:
 - i. the adequacy and effectiveness of the Bank's ICS;
 - ii. the effectiveness of and compliance with risk management procedures, as well as all types of credit procedures, including the provisioning policy;
 - iii. the soundness of procedures relating to the internal assessment of capital adequacy;
 - iv. the integrity of the calculation procedure or methodology for loan and other asset impairments, as well as any changes thereto during the year; and
 - v. the adequacy of policies and procedures adopted by the SB for compliance purposes.

The Internal Audit Division is staffed by employees: (a) who are not engaged in executive or operational responsibilities in any other area of SB business; (b) are assigned or relieved of their duties by decision of the Internal Audit Division Manager, in line with SB's policies and procedures, and are promoted in line with the applicable provisions concerning the Internal Audit Staff. The remuneration of the Internal Audit Staff is not linked to the financial performance of Business Units subject to Internal Audit.

Internal Audit Staff should demonstrate an impeccable record of professional conduct and objectivity in the collection, assessment and exchange of data, which should be used exclusively for the purposes of their work. Internal Audit Staff shall seek to reach objective assessment conclusions and make decisions on the basis of all relevant data, and without being influenced by any personal or third-party interests.

VI. POLICIES AND COMPLIANCE PROCEDURES

The Bank monitors developments in the applicable framework, related guidelines and best practices and takes appropriate action to ensure that the policies pursued are in line with the applicable regulatory framework and related guidelines.

The Bank's corporate governance policy framework includes, inter alia, the following Codes and Policies:

- Corporate Governance Code
- Code of Ethics
- Remuneration Policy
- The Policy for the manner of appointing, monitoring and dismissal of members of SB bodies
- Whistleblowing Policy
- Conflicts of Interest Policy
- Anti-Bribery Policy
- Anti-Fraud Policy
- AML/CFT Policies

A) Transactions by Related Parties and Inside Information

MEASURES TO AVOID MARKET ABUSE

In compliance with the Group standards, the Bank has established and implements measures for the prevention of Market Abuse aiming at:

- (a) preventing and avoiding market abuse, i.e. abuse of inside information, illegal disclosure of inside information and market manipulation, and any related attempts to do so;
- (b) ensuring that the Persons possessing Inside Information do not carry out personal transactions that are contrary or could be contrary to any obligations undertaken by the Bank, by virtue of the legislative and regulatory framework governing the financial instruments markets; and
- (c) preventing and avoiding conflicts of interest, within the context of the provision of investment and ancillary services to the clients

PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES

(a) Notification of transactions:

Persons discharging managerial responsibilities in the Bank, as well as persons (individuals and/or legal entities) closely associated with them, are obliged to notify the Bank Secretary immediately or at least within 5 working days from the day of the trading in case of buying or selling SB shares in amount of EUR 10,000 or higher, the cumulative value of all buying or selling in period of 30 days is in amount of EUR 10,000 or higher or any selling or buying of 0,5% of SB common shares. The notification should include the number of shares. Such persons also have to notify the Bank Secretary who within 24 hours after the conclusion of the transaction of the amount of securities and the price per unit traded who notifies appropriately the Macedonian Stock Exchange.

(b) Closed period of SB shares trading

Covered Persons and their connected parties **are prohibited** from trading in SB shares within 30 days before the date of announcement of interim and annual financial results and the date of an Annual or an Extraordinary General Meeting of Shareholders, if such date has been set, or from the day on which such announcement is made through to the date that the General Meeting of Shareholders convenes.

In exceptional and urgent cases, where the immediate sale of shares is required (such as serious financial difficulties) or due to the characteristics of such transactions (e.g. transactions carried out in the context of or related to the system of the staff's participation in the company's capital, savings plans, etc.), the Bank may allow such transactions pursuant to the applicable regulatory framework.

(c) List of Persons with special rights and responsibilities

The Bank, in order to ensure its compliance with the aforementioned obligations (under a and b hereinabove), notifies accordingly and in writing the Persons with special rights and responsibilities.

DISCLOSURE OF INSIDE AND OTHER REGULATED INFORMATION

The Bank, in its capacity as issuer, and aiming at preventing the abuse of inside information and ensuring non-manipulation of investors, notifies the public as soon as possible regarding any inside information about the Bank itself. The Bank posts and keeps available on its webpage for at least a 5-year period, any inside information, the disclosure of which is required.

PROCEDURES FOR PREVENTING AND RESPONDING TO CASES OF CONFLICT OF INTEREST

SB is fully aware of the need to apply appropriate measures to handle cases that may cause or lead to conflict of interest. Specifically, all SB persons with special rights and responsibilities and the Bank's staff, irrespective of their employment relationship with the Bank, as well as any third party collaborating with

SB, in the context of the provision of services or execution of a project, are under obligation to comply with the principles of Code of Ethics (available on the Bank's website <https://www.stb.com.mk/>) and the disclosure requirements regarding any cases or events that may lead to possible conflict of interest.

Further, in the context of monitoring and managing actual or potential conflicts of interest, the Bank has adopted and implemented the "Policy for Avoiding Conflicts of Interest", pursuant to which, inter alia, the persons with special rights and responsibilities are forbidden from:

1. engaging in or facilitating any activities that compete to any substantial degree with the financial interests of the Bank or any NBG Group company.
2. exploiting, for their own account or for the account of any related person, any business opportunity that could generate revenues for the Bank or any NBG Group company, when such opportunity arises from the use of a corporate asset or of information obtained due to being in the capacity of a Covered Person.
3. using their position in the Bank or in an NBG Group company in order to promote the business interest of any Related Person.
4. taking advantage of favorable terms and conditions in their transactions with the Bank or an NBG Group company, apart from the cases provided for according to the aforementioned Policy.
5. taking part in any discussion or decision in the context of the collective management bodies of SB or any Group companies regarding transactions that entail potential conflicts of interest between themselves and the Bank or an NBG Group company.

In addition, the Supervisory Board and Board of Directors Members shall comply with the special provisions of SB's Corporate Governance Code (available at www.stb.com.mk) regarding the conflict of interest, transactions with third parties and relevant disclosures.

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties

All transactions which Supervisory Board and Audit Committee members, and their connected parties, carry out and all products/services which they receive in which the counterparty is either SB shall be carried out under the same terms and conditions applied to transactions with SB customers, and while in each case observing the **arm's length principle**. The above requirement includes transactions concerning personal loans, mortgages, credit facilities of any kind, insurance products, leasing products and generally any kind of product or service which may be provided by the Bank.

In case of personal loans, mortgages and credit facilities of a Covered Person of this category or his/her connected entity whose total amount at SB level is **over** MKD 6 mill, the Decision on approving the facility is passed by the Bank's Supervisory Board, following relevant proposal by the competent Authorizing Bodies. When passing such decisions, the following restrictions regulated by the Banking Law must be taken into account:

- i. The exposure to a Covered person and his/her connected entity must not exceed 3% of the Bank's own funds;
- ii. The terms and conditions under which loans and all other kinds of exposures are approved, in case of equal risk level determined in accordance with the supervisory standards, must not be more favorable than the terms and conditions applied for the other Bank clients.

Any business deal with an interested party shall be subject to a *prior approval* by the Supervisory Board, adopted by the majority votes of the members having no interest in the business deal. If there are not enough members that have no interest in the business deal necessary for quorum of the session, the business deal shall be approved by the Shareholders Assembly.

The Assembly shall approve the business deal with the interested party by majority of the votes of all shareholders having no interest, but own shares with voting right, if:

- ✓ the value of the assets at which such business deal or the connected deals refers to is 2% or more percentage of the bookkeeping value of the company's assets, based on the company's most recent audited financial reports or compared to the offered price in case of assets purchase;
- ✓ the business deal or the connected deals referred to issuance through subscription or sale of shares that represent more than 2% of the company's remaining common shares in that period and of the common shares into which securities previously issued in series and convertible into shares can be converted; Or
- ✓ the business deal or the connected deals refer to issuance, through subscription of convertible bonds, which can be converted into common shares, which represent more than 2% of the company's issued common shares, and if in the same time the common shares previously issued in series are convertible into shares.

Disclosure of transactions carried out by Related Parties

The Bank monitors transactions with related parties, with a view to disclosing such to the competent bodies, and in compliance with disclosure formalities as per the applicable legislation.

After the full completion of the business deal with the interested party, the Bank immediately and the next day at latest, in at least 1 daily newspaper, on its website and on the website of the Macedonia Stock Exchange shall publish a notification regarding the completed business deal.

Further, the Bank is obliged to disclose in their financial statements, in reports to the National Bank, the details of their transactions with Connected Parties, as per the IFRS and the relevant legislation governing the content of reports to the National Bank.

B) Training and Development

The Bank offers new Supervisory Board and Board of Directors members an induction program, which covers, among other things, issues related to the Bank's corporate governance and organizational arrangements and includes meetings with key employees. As part of this induction program, new members are informed about corporate governance and compliance, key developments at SB and Group level, internal audit and financial results. In addition, as part of this induction program, new Board members are provided with detailed material including a manual of basic rights and obligations of Board members, in accordance with applicable legislation, the Bank's key policies, and all other relevant regulatory provisions or documents concerning.

In addition, the Bank shall adopted a Policy for the Annual Training of Board members and its Committees, which aims at assisting the Board in enhancing its performance, by broadening its existing members' skills. The Policy sets out the procedures for the preparation of the annual training plan for Board members and its Committees, which is developed in consideration of their training needs, the Bank's priorities, as well as the already available training and development programs, in line with the current requirements of the legal and regulatory framework, and corporate governance best practices.

The Bank, recognizing that its strength derives from its human resources, prioritizes the retention of highly qualified staff and the development and promotion of high-level executives and employees in terms of their professional training and ethics. In this context, the Bank have adopted a Training and Development Policy in an effort to provide development opportunities to employees and to cultivate their skills and abilities to meet the changing needs of the Bank. The Policy concerns all SB staff, including managers, especially those involved in internal audit, risk management, regulatory compliance and IT systems.

C) Sustainable Development

Throughout its history, SB has demonstrated its concern and responsibility in all sectors of the Macedonian economy and society, and as regards the protection of the natural environment.

The Bank recognizes that its activity has, both directly and indirectly, a social, financial and environmental impact on interested parties, including investors and shareholders, customers, staff, partners and suppliers, the business community and the state, as well as wider impact on the economy, society and the natural environment. It recognizes in particular its significant role, as a financial institution, in the transition to a sustainable economy, as it complies with the relevant regulatory requirements, adjusts accordingly access to financing, in order to facilitate the transition to a zero emissions economy, and develops new products and services that meet customer needs and help foster long-term value, financial and social benefits, and effective management of the environmental impact.

In this context, the Bank has in place the Policy for Sustainable Development, the purpose of which is to establish a framework for the development of appropriate actions that contribute to the managing the Bank's financial, social as well as environmental impact on sustainable development, with a view to:

1. Reducing, and whenever possible, mitigating its environmental impacts (including those related to climate change), as such arise from the financing of customers' activities, as well as from the operation of the Bank itself (e.g. energy consumption of the buildings, etc.).
2. The creation of long-term value for interested parties, as well as the economy at large and the societies of the countries where it is active, through the disposal of funds, products and services, and the promotion of specific CSR programs and actions.
3. Launching of initiatives and innovative actions in sectors such as Sustainable Development, responsible financing, CSR and Business Ethics, beyond compliance of the Bank with the relevant applicable legislative and regulatory framework, thereby becoming the bank of choice in the Macedonian market.
4. Safeguarding the SB's goodwill and reliability.

VII. GOVERNANCE

Upon recommendation of the Board of Directors, the Supervisory Board reviews the Regulation whenever required, in order to ensure its adequacy regarding the principles adopted and the rules applied by the Group, as well as the applicable legal and regulatory framework and international best practices. The

Regulation, and any amendments thereto are issued and approved by the Sup Board, while with the care of the Bank Secretary, any required adjustments are incorporated in case of changes in policies or internal organization matters of the Bank.

This Internal Regulation was adopted by the Supervisory Board at the meeting held on 30.07.2021.

S.B. No. _____

Skopje, 30.07.2021

SUPERVISORY BOARD

Marinis Stratopoulos

ANNEX I: Organizational Chart

