

**DECISION**

on re-appointing independent member of the Supervisory Board  
of Stopanska Banka AD - Skopje

On the basis of Article 26 of the Statute of Stopanska Banka AD - Skopje (A.D.No.438/31.05.2022, revised text), the Shareholders Assembly of Stopanska Banka AD - Skopje, on the meeting held on 29.3.2024 passed a

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of Stopanska Banka AD - Skopje

1. The Shareholders Assembly of Stopanska Banka AD – Skopje hereby re-appoints Ph.D. Sasho Kjosev as Independent Member of the Supervisory Board.

2. The term of office of the Supervisory Board member from Article 1 of this Decision shall last for four years.

3. This Decision shall enter into force after receiving consent from the Governor of the National Bank of Republic of North Macedonia.

A.D.No. \_\_\_\_\_  
29.03.2024  
Skopje

**SHAREHOLDERS ASSEMBLY**

**Chair**

## EXPLANATORY NOTE

As stipulated with the Banking Law and SB Statute the members of the Supervisory Board are appointed by the Shareholders Assembly of SB. The mandate of the members is four years, as determined by the SB Statute. At least  $\frac{1}{4}$  of the members of the Supervisory board should be independent members. Before submitting a proposal for appointment of a member of Supervisory Board, the Bank passes a selection, suitability assessment and nomination process lead by its Nomination and Remuneration Committee.

Each appointment is subject of approval by the Governor of Central Bank of Republic of North Macedonia.

Following the regulatory requirements of the Law on Banks, the SB Supervisory Board is composed of 7 members, out of which 2 are independent members, out of which one is Ph.D. Sasho Kjosev. He was foremost appointed as independent member of Supervisory Board in 2016 and subsequently re-appointed in 2020. His current mandate expires on May 27, 2024.

Therefore, the Bank has started the process of evaluating and nominating candidates for Supervisory Board membership.

Taking into consideration the current Board profile and need for continuity, the regulatory requirements, internal governance policies, and the Bank's Strategy, the first choice was to reassess the current independent members for nominating for another 4-year mandate.

Foremost, it was concluded that the prior terms of Ph.D. Kjosev have been marked by substantial contributions to the Board's oversight, strategic guidance, and operations of the Board's sub-committees. His independence, expertise in macroeconomics, and understanding of the local and regional markets has been very important for the overall governance of the Bank. Notable is also his role as Deputy Chair of Supervisory Board, being available to cover the key Board Chair position every time was required.

His suitability assessment also shows that the candidate has a position and profile of education that continues to be relevant to the Board position and he will be able to continue to devote sufficient time to perform his duties as Board member. Moreover, he is assessed as respectable member that contributes very positively to the Board cohesion, participated actively in the discussions and decision-making process, and was always available for coordination with the Chairs and Secretaries of the Board and its committees.

From independence point of view and having in mind that according to the internal policies of the Bank the independent members are eligible to third and final consecutive term as independent members, his nomination also supports SB adherence to the Law on Banks and SB Corporate Governance Code and ensures continuity at the Board. More important, no obstacles were identified that would prevent the candidate from sharing freely and independently his experience and knowledge with other members of the Supervisory Board and from challenging the decisions of the management.

The full suitability assessment together with the Curriculum Vitae of Ph.D. Kjosev are an integral part of this Proposal.

Therefore, based on the suitability assessment and in recognition of the significant contributions of Ph.D. Kjosev and his demonstrated commitment to the highest standards of governance, it is proposed to the Shareholders Assembly to re-appoint the candidate as Independent Member of Supervisory Board. In accordance with the Law on Banks, the proposed appointment shall enter into force after acquiring the relevant consent of the Governor of National Bank of Republic of North Macedonia.