

To:

The Supervisory Board of Stopanska Banka AD – Skopje

From:

Coordination Body for undertaking activities for exercising the rights of holders of preferred shares of Stopanska Banka AD – Skopje

Subject:

Proposal for consideration and submission of decisions to the Annual Shareholders Assembly of Stopanska Banka AD – Skopje for 2026

Skopje, 24.04.2026

Dear Chairman and Members of the Supervisory Board,

We address the Supervisory Board of Stopanska Banka AD – Skopje (the Bank), based on the relevant provisions of the applicable legal and regulatory framework, as well as considering the role and responsibility of the Supervisory Board to ensure lawful, transparent, and responsible governance of the Bank and protection of the interests of all shareholders.

Taking into account the need to ensure objective and comprehensive financial reporting, as well as consistent application of accounting standards and regulatory rules, we submit proposals for consideration and inclusion in the materials for the upcoming Annual Shareholders Assembly. The proposals refer to mutually related issues that affect the understanding of the financial conditions and results from the operations of the Bank and are in function of providing a complete and informed basis for decision making on part of the Shareholders Assembly.

We request that the Supervisory Board of the Bank propose to the Shareholders Assembly at the regular annual meeting that shall be scheduled in 2026, to review and adopt the following decisions:

3. Proposal-decision on distribution of the profit and payment of dividend

3.1 Proposed text of the decision

It is proposed for the Shareholders Assembly of Stopanska Banka AD Skopje to pass a:

Decision for distribution of the profit of the Bank for 2025 and the undistributed profit from the previous years

according to which an amount of the profit shall be determined that shall be distributed to all shareholders, in proportion to their participation in the core capital of the Bank, i.e. to holders of common and preferred shares.

3.2 Reason

In the Current practice, the Bank has passed decisions for payment of dividend but the distribution does not take into consideration all shareholders in the right proportion, i.e. the conditions are disregarded and the characteristics of preferred shares as determined within decisions for their issuing and the Statute.

3.3 Objective

With the passing of this Decision, the following shall be provided:

- Accurate and proportional distribution of the profit to all shareholders;
- Compliance of the principle of proportional participation in the distribution of the profit based on invested funds in the core capital;
- Reconciliation of the practice of the Bank with the legal and statutory framework;
- Enhancing the trust in corporate management.

3.4 Explanation

The right to participate in the profit as a general principal arises from Article 19 paragraph 1 of the Law on trading companies, Article 18 of the Statute of the Bank, as well as from decisions for issuing preferred shares, according to which terms and conditions are determined and the economic essence of the instrument, including the possibility for participation in the distribution of the profit. The distribution of the profit should be made in a manner that reflects the structure and capital and provide for an accurate and consistent treatment of all shareholders. In the current practice, despite the payment of dividend, the distribution does not take into consideration the preferred shares according to the proportion, and in accordance with the terms and conditions determined within the decision for their issuing, especially in the part of participation in the distribution of the profit.

Additionally, the legal relationship between the shareholders and the Bank is established based on the principle of proportional participation, as a general economic principle, in the profit according to the invested capital. To deviate from this principle creates imbalance between different classes of shares.

By passing this decision, the following shall be provided:

- Distribution of the profit that includes all shareholders;
- Obeying the terms and conditions determined within decisions on issue of preferred shares as securities;
- Establishing consistency and legally determined practice of distribution.

At the same time, the financial statements of the Bank, including the capital adequacy rate, point out that there is a sufficient capacity for passing a decision for payment of dividend, without jeopardizing the stability of the Bank.

4. Proposal-decision to amend and supplement the Bank's Statute

4.1 Proposed text of the decision

It is proposed for the Shareholders Assembly of Stopanska Banka AD Skopje to pass a:

Decision on amending and supplementing the Statute of the Bank

in which in Article 18, the following amendments and supplements shall be made:

- After paragraph 4, a new (fifth) paragraph shall be added, as follows:
"Preferred shares have the right to a guaranteed fixed dividend in the amount of MKD 200 per a preferred share";
- After the new fifth paragraph, a new (sixth) paragraph shall be added, as follows:
"Preferred shares have the right to a cumulative dividend, i.e. a right to collection of the accumulated unpaid dividends prior to the collection of any dividend on part of the holders of common shares"
- After the new sixth paragraph, a new (seventh) paragraph shall be added, as follows:
"Preferred shares may acquire right to participate in the distribution of the profit of the Bank as a variable part in an amount as determined by the Assembly, but not in higher amount than the one the holders of common shares shall receive";
- After the new seventh paragraph, a new (eights) paragraph shall be added, as follows:
participation in profit distribution;
"Preferred shares may participate equally in the distribution of the remaining part of the bankrupts' i.e. liquidation estate of the Bank."

4.2 Reason

The Statute of the Bank does not contain the rights of preferred shares, therefore it is necessary to reconcile it with the Law on trading companies, especially Article 287 paragraph 1 item 4 and Article 278 paragraph 2.

4.3 Objective

With the passing of this Decision, the following shall be provided:

- Reconciliation of the Statute with the legal framework;
- Clear and complete defining of the rights of preferred shares;
- Removing the legal ambiguity and discrepancy;
- Provide a legal safety and transparency for all shareholders.

4.4 Explanation

In accordance with Article 278 of the Law on trading companies, the Statute must contain the rights, obligations and privileges of each class of shares. The current Statute of the Bank does not contain explicit provisions of the rights of preferred shares, which creates a legal non-compliance and insecurity. In the current situation, there is a non-compliance between:

- Decisions on issue of shares; and
- The legal framework that requires entering the rights in the Statute and at in advance determined (fixed) dividend;

With the proposed amendments:

- The right to guaranteed dividend shall be defined as a fixed amount, in accordance with the law;
- All essential rights of preferred shares shall be integrated in the Statute (cumulative characteristics, participation in the profit and liquidation estate);
- A clear and consistent regulation of the right shall be established, which eliminates the legal and accounting inconsistency.

The issue of the rights of preferred shares has been initiated several times without a resolution, which confirms the need of its final regulation via the Statute.

Additionally, the proposed amount of the guaranteed dividend of **MKD 200 per preferred share** is determined based on market and economic logic.

- It represents approximately 50% of the earning per share for the last financial year, calculated in accordance with the participation of the preferred shares in the core capital;
- Is within the frame of the practices of comparable banks in the country, where the distribution of the profit to shareholders exceeds 50%;
- Enables establishment of a real market value of a preferred share and creating conditions for its liquidity, which has decreased significantly in the past years.

Thus, the proposed amount does not represent a frivolous value, but is a result of an objective financial assessment and market parameters.

Furthermore, determining the guaranteed dividend with clear and justified economic amount is necessary on aspect of protection of the value of investment of holders of preferred shares. In absence of a clearly defined and predictable income:

- Preferred shares are exposed to a systematic inferiority in the market;
- The economic balance is violated between various types of shares;
- A risk is created for extended inability to trade and lose liquidity;

- The issue is put into question regarding the realization of the essential rights that arise from the very nature of the preferred shares.

4.5 Procedure after the Decision is passed (Article 403 of the Law on trading companies)

Taking into consideration that with the proposed decision, rights are determined and amended of preferred shares, in accordance with Article 403 of the Law on trading companies, its coming into force is conditioned by the providing of a consent on part of the holders of preferred shares. According to the mentioned, it is proposed and expected, in case the Assembly adopts the proposed decision, to enable passing a decision on consent **by scheduling an extraordinary Assembly of the holders of preferred shares**, at which they shall decide by separate voting.

This is for the purpose to provide an effective and real realization of the right of consent on part of the holders of preferred shares, taking into consideration their number and the need of organizing their participation in the procedure.