

Corporate Governance Statement of NLB

Pursuant to the fifth paragraph of Article 70 of the Companies Act (ZGD-1¹⁸) NLB hereby gives the following Corporate Governance Statement as a part of the Business Report of the NLB Group Annual Report 2019.

1. STATEMENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

NLB as a company whose shares are listed on Prime Market of the Ljubljana Stock Exchange hereby discloses the compliance with the Corporate Governance Code for Listed Companies, as the code that applies for the bank. Information contained in this point represents a 'Statement of Compliance with the Corporate Governance Code' as defined in the Ljubljana Stock Exchange Rules, valid from 9 December 2019 (Articles 24 – 26).

1.1. REFERENCES TO THE CODE, THE RECOMMENDATIONS AND OTHER INTERNAL REGULATIONS ON CORPORATE GOVERNANCE

Corporate governance of the Bank is based on applicable legislation of the RoS, particularly the provisions of the Companies Act (ZGD-1) and the Banking Act (ZBan-2), the Decision on Internal Governance Arrangements, the Management Body and the Internal Capital Adequacy Assessment Process for Banks and Savings Banks (Official Gazette of the RoS, No. 73/15, and further changes), and the EBA Guidelines on Internal Governance (EBA/GL/2017/11; 21/03/2018).

The corporate governance framework of the Bank is designed jointly by the Management Board and the Supervisory Board of the Bank with a Corporate Governance Policy of NLB (March 2019, published on website: <https://www.nlb.si/corporate-governance>), wherein they commit to and publicly disclose to shareholders, clients, creditors, employees,

and other stakeholders as a whole, how they will supervise and manage the Bank. The Management and Supervisory Boards also decide on which corporate governance code the Bank should follow.

Apart from binding legal framework, NLB also follows a Corporate Governance Code for Listed Companies (Slovenian Directors' Association and Ljubljana Stock Exchange, adopted 27 October 2016, valid from 1 January 2017). The recommended practices contribute to a transparent and understandable governance system, which promotes both domestic and foreign investor confidence, as well as the confidence of employees, other stakeholders (regulators, suppliers, etc.) and the general public. Due to the fact that the first phase of the privatisation of the Bank was concluded on 14 November 2018, NLB became a listed company (as its shares were listed on Ljubljana Stock Exchange and the GDRs representing NLB's ordinary shares were listed on London Stock Exchange). From the mentioned date on NLB has followed the recommendations of the mentioned code exclusively. The code is available on the web site: www.ljse.si.

Corporate Governance Policy of the NLB policy should be read together with the NLB Group Corporate Governance Policy, in which the corporate governance principles and mechanisms of the Group members are defined, while also respecting the local legislation and regulatory requirements.

Furthermore, in 2019 NLB complied in its governance system with the commitments made by the RoS to the EC with respect to the state aid given to NLB in December 2013 (commitments on corporate governance). Mentioned commitments were changed with the Amendment of the Restructuring Decision of NLB on May 2017 and with the Amendment of the

Restructuring Commitments of NLB on 10 August 2018 (public versions of mentioned decisions available on:

- http://ec.europa.eu/competition/state_aid/cases/269184/269184_1911771_145_2.pdf and
- https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.298.01.0017.01.ENG&toc=OJ:L:2018:298:TOC).

However, as at 31 December 2019 all the commitments expired and to NLB's assessment were also fulfilled, therefore consequently the limitations given by the commitments are not valid anymore.

NLB strives to increase the level of its business transparency and informs the shareholders and other expert community in line with the Guidelines on Disclosure for Listed Companies (Ljubljana Stock Exchange, 19 August 2019) on electronic communications system of the Ljubljana Stock Exchange (SEOnet) and in line with Rules of the London Stock Exchange through Regulatory News Services (RNS) of the London Stock Exchange.

According to the Companies Act (ZGD-1, Article 70, paragraph 5), the Bank discloses its compliance with mentioned codes based on the 'comply or explain' principle. The statement refers to the Bank's system of corporate governance from the beginning to the end of financial year, which also corresponds to the beginning and the end of the calendar year (1 January until 31 December 2019).

18. The Companies Law (ZGD- 1; Official Gazette of the RoS, No. 65/09 – official consolidated text, 33/11, 91/11, 32/12, 57/12, 44/13 – decision of the Constitutional Court, 82/13, 55/15, 15/17 and 22/19 – ZposS).

The Bank publishes this statement in the Business Report of the NLB Group Annual Report 2019, as well as a separate report on its website (<https://www.nlb.si/investor-relations>). The Corporate Governance system of the Bank and all relevant information on Bank's management that exceeds the requirements of this act are published in the Corporate Governance Policy of NLB, and other documents that are communicated to the stakeholders by being published on the NLB website (<http://www.nlb.si/corporate-governance>).

2. STATEMENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE FOR LISTED COMPANIES

NLB deviates from the recommendations as described below, and hereby explains reasoning for such deviations.

Recommendation no. 8.1: Upon convocation of the General Meeting of shareholders scheduled for 10 June 2019 NLB did not publish all required information pursuant to this recommendation on its website. In the future, NLB intends to publish on its website also all required information regarding the organised collection of proxy notices.

Recommendation no. 8.5: In the reasoning of the proposals for the General Meeting, NLB does not cite the past membership in other management or control bodies, nor eventual conflicts of interest (because they are already included into Fit&Proper procedure).

Recommendation no. 10.1: In assessing a candidate's eligibility for a Supervisory Board member, statutory criteria are applied, however, candidates don't have a certificate evidencing their specialised professional competence for membership on a Supervisory Board, such as the Certificate of the Slovenian Directors' Association, or any other relevant certificate.

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

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

Recommendation no. 15.3: NLB deviates from this recommendation because the President of the Supervisory Board is at the same time the President of the Nominations Committee.

Recommendation no. 16.2: The Secretary of the Supervisory Board did not sign a separate statement in which she makes a commitment to protect the confidentiality of information on the same level as the members of the Supervisory Board. She has provisions on confidentiality included in her employment contract and is obliged to protect the confidentiality of information by the Banking Act (ZBan-2) and Labour Law.

Recommendation no. 17: In our opinion, at the beginning 2019 the Bank was not providing payment to the Supervisory Board members that

corresponded to their responsibilities and the fines set by the Banking Act (ZBan-2). However, changes to the reimbursement of the Supervisory Board and its committees were adopted at the General Meeting dated 21 October 2019 that to a better degree correspond with the responsibilities and tasks to which the members of the Supervisory Board are subjected.

Recommendations no. 21.4 to 21.6: In 2019, NLB did not pay variable remuneration in the form of NLB shares to any member of the NLB Management Board, nor do stock option plans and comparable financial instruments make up the majority of the variable remuneration of any member of the NLB Management Board. In relation to the payment of variable remuneration in own shares NLB complies with the Banking Act (ZBan-2) and the Guidelines of the BoS dated 22 November 2016, concerning the application of the principle of proportionality in the implementation of remuneration policies (hereinafter: BoS Guidelines). Considering that NLB shares are listed on a regulated market and based on point 7 of the first paragraph of Article 170 of the Banking Act (ZBan-2), which is based on the Directive 2013/36/EU of the European Parliament and of the Council, at least 50% of the variable remuneration of (among other) each member of the NLB Management Board shall comprise ordinary shares of NLB. The said requirement applies to both the non-deferred and the deferred part of variable remuneration (which is different from recommendations 21.4 and 21.6 which provide that variable remuneration awarded in shares should not be paid out for at least three years after the award). When the variable remuneration of an individual Identified Staff in a particular year does not exceed EUR 50,000, the BoS Guidelines allow for an exception from the requirement that a part of variable remuneration has to be paid in own shares of the bank. As the said threshold was not exceeded, in 2019 NLB did not pay variable

remuneration to any of the members of NLB Management Board in the form of NLB shares.

Recommendation no. 25.3: The Bank deviates from the recommendation on rotation of audit companies. In 2018, the Bank followed provisions of the Banking Act (ZBan-2) and the Recommendations and the Expectations of SSH regarding the rotation of audit companies, which define a longer rotation period (10 years).

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

Recommendation 29.3: the Bank does not have a program of acquisition of own shares yet. The Bank's managing bodies will discuss about adoption of mentioned program in 2020.

Recommendation no. 29.7: NLB discloses the remuneration of each member of the Management Board and of the Supervisory Board broken down to all items that are contained in the Appendices C.3 and C.4 of Corporate Governance Code for Listed Companies (except for Appendix C.3 of Corporate Governance Code for Listed Companies, where NLB does not disclose the gross variable income of the members of the Management Board on the basis of quantity and quality criteria, but only as a total).

Recommendation no. 29.9: NLB does not publish the rules of procedure

of its bodies (Management Board and Supervisory Board and the General Meeting) on its website.

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

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

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

3.1. Internal control mechanisms

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

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

3.1.1. Internal Controls

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

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

3.1.2. Internal Control Functions

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

a) The Internal Audit Department

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

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

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

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

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

b) The Risk Management Function

The Risk Management Function is organised according to the Charter of the Risk Management Function of NLB adopted by the Management Board on 6 November 2015, in agreement with the Supervisory Board of NLB. The Charter on Functioning of the Risk Management Function of NLB is the framework document on understanding and role of the risk management function; it defines the purpose, validity, and method of operation, as well as the authorisations and responsibilities of the risk management function according to the requirements of the Banking Act (ZBan-2) and the Regulation on Internal Management Arrangements, Management Body, and Internal Capital Adequacy Assessment Process for Banks and Savings Banks.

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

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

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

the same time unhindered and independent access to the Supervisory Board of NLB and the Risk Committee of the Supervisory Board of the NLB.

Risk management in the Group is in charge of managing, assessing, and monitoring risks within the Bank as the main entity in Slovenia, and the competence centre for six banking subsidiary banks. Furthermore, it is also responsible for several ancillary services companies and non-core subsidiaries which are in a controlled wind-down. In members of the Group, the risk management function is organised according to the local legislation, taking into account the bases for set-up, organisation, and activities in the area of risk management in the members, as defined in the document 'Risk Management Standards in the NLB Group'. The described standards on risk management provide the members of the Group the bases with which they have to align their strategic risk orientations, internal policies, organisation, work procedures, methodologies, and reporting system.

NLB is, as a systemic bank, involved in the Single Supervisory Mechanism (SSM), under the supervision of the ECB and its Joint Supervisory Team, and the BoS. Group-wide ECB and other relevant regulatory requirements are followed by all Group members, whereby the Group subsidiaries operating outside Slovenia are also compliant with the rules set by the local regulators. Across the Group, assessments are made, and risks managed in the Group uniform manner, taking into account the specifics of the markets in which individual Group members are operating in line with the Group's risk management standards.

The Group gives high importance to the risk culture, and awareness of all relevant risks within the entire Group. The key goal of Risk Management is to manage, assess, and monitor risks within the Group in line with the Group's Risk Appetite and Risk Strategy, representing the key

strategic risk targets and orientations. A robust Risk Management framework is comprehensively integrated into decision-making, steering, and mitigation processes within the Group in order to proactively support its business operations. Moreover, main strategic risk guidelines are integrated into annual business plan review and budgeting process. The Group is constantly enhancing and continuously adapting its risk management system with the aim to detect and adequately manage existing and new potential emerging risks.

The Group plans a prudent risk appetite and optimally profitable operations in the long run, including fulfilment of all the regulatory requirements. The key strategic risk documents and other risk policies of the Group are approved by the Management Board and the Supervisory Board of NLB. The Group regularly monitors its target risk appetite and internal capital allocation, representing the key components of proactive risk management process in the Group. They enable timely and detailed monitoring, management, and mitigation when needed. Limits usage and potential deviations are regularly reported to the respective committees and/or the Management Board of the Bank, the Risk Committee of the Supervisory Board, and the Supervisory Board of the Bank. Additionally, the Group has set up early warning systems and stress testing in different risk areas with the intention to strengthen the existing internal controls and timely responding when necessary.

NLB pays special attention to the system of internal controls and risk management in the Group, and continuously upgrades the internal control system in the Group in line with the Corporate Governance Policy of the Group. Corporate governance of the Group is presented in the chapter NLB Corporate Governance, subchapter Corporate Governance of the Group. The risk profile of the Group in conjunction with the business strategy is presented

under the Risk Management section in the financial report of the Annual Report.

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

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

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

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

AML/CTF functions), which additionally ensures independence of operation of the Compliance and Integrity. As information security and AML/CTF functions are organised within Compliance and Integrity, the CISO and head of AML/CTF area are ensured full independence through equal reporting lines as the director of Compliance and Integrity. All three also have direct access and separate reporting line to the Bank's Supervisory Board.

Following the NLB model, the compliance function has been established in the core members of the Group as well. Through specific binding standards in the area of compliance and integrity, there is a harmonised system of standards and practices in the area of compliance and integrity in place in the entire Group, in core and non-core members.

3.2. Financial reporting

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

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

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

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

Changes in share capital were made on 21 June 2019 when the RoS sold the remaining shares of NLB up to Blocking Minority

(25% plus 1 share). As at 31 December 2019, NLB’s share capital totalled EUR 200 million and was divided into 20 million shares. All shares belong to a single class and are issued in book-entry form. The shares are listed on Prime Market of Ljubljana Stock Exchange and the GDRs, representing shares, are listed on the Main Market of London Stock Exchange. Five GDR represent one share of NLB.

NLB’s main shareholders as at 31 December 2019*

Shareholder	Number of shares	Percentage of shares
Bank of New York Mellon on behalf of the GDR holders**	12,464,548	62.32
- of which Brandes Investment Partners, L.P.***	/	>5 and <10
- of which EBRD***	/	>5 and <10
- of which Schroders plc***	/	>5 and <10
RoS	5,000,001	25.00
Other shareholders	2,535,451	12.68
Total	20,000,000	100.00

* Information is sourced from NLB’s shareholders book accessible at the web services of CSD (Central Security Depository, Slovenian: KDD - Centralna klirinško depotna družba) and available to CSD members. Information on major holdings is based on the self-declarations by individual holders pursuant to the applicable provisions of Slovenian legislation, which requires that the holders of shares in a listed company notify the company whenever their direct and/or indirect holdings pass the set thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50% or 75%. The table lists all self-declared major holders whose notifications have been received. In reliance of this obligation vested with the holders of major holdings, the Bank postulates that no other entities nor any natural person holds directly and/or indirectly ten or more percent of the Bank’s shares.

** The Bank of New York Mellon holds shares in its capacity as the depository (the GDR Depository) for the GDR holders and is not the beneficial owner of such shares. The GDR holders have the right to convert their GDRs into shares. The rights under the deposited shares can be exercised by the GDR holders only through the GDR Depository and individual GDR holders do not have any direct right to either attend the shareholder’s meeting or to exercise any voting rights under the deposited shares.

*** The information on GDR ownership is based on self-declarations by individual GDR holders as required pursuant to the applicable provisions of Slovenian law.

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

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

No special controlling rights are attached to NLB shares.

Explanation regarding restrictions related to voting rights, in particular: (i) restrictions of voting rights to a certain stake or certain number of votes, (ii) deadlines for executing voting rights, and (iii) agreements in which, based on the company’s cooperation, the financial rights

arising from securities are separated from the rights of ownership of such securities (Point 6 of the sixth paragraph of Article 70 of the ZGD-1)

In accordance with Article 5.a) of the NLB’s Articles of Association (dated 12 October 2018), any transfer of the Bank’s shares with which the acquirer together with the shares held prior to such an acquisition and the shares held by third parties on behalf of such acquirer exceeds 25% of the voting shares, shall require the Bank’s authorisation. The authorisation to transfer the shares shall be granted by the Supervisory Board.

The Bank may refuse to grant authorisation to transfer shares, if the acquirer together

with its shares held prior to the acquisition and the shares held by third parties on behalf of such an acquirer exceeds 25% of the Bank’s voting shares plus one share.

Notwithstanding the provision above, the authorisation to transfer shares shall not be required if the acquirer acquires the shares on behalf of third parties, and as such it is not authorised to exercise their voting rights at its own discretion, while committing to the Bank that it shall not exercise the voting rights attached to these shares as instructed by a relevant third party on behalf of which these shares are held, if the acquirer fails to receive from this party, together with instructions, a written undertaking stipulating that this party holds the shares for its own account and that at the same

time it does not, directly or indirectly, hold more than 25% of the Bank's voting shares.

Without having applied for authorisation to transfer shares, or without having received the Bank's authorisation, the acquirer that exceeds 25% of the Bank's voting shares shall be able to exercise the voting rights of 25% of its voting shares.

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

Management Board

In accordance with NLB's Articles of Association, the Supervisory Board appoints and recalls the President and other members of the Management Board. The President of the Management Board may appoint one of the members of the Management Board as his/her Deputy subject to a prior approval of the Supervisory Board.

The President and other members of the Management Board of the Bank shall be appointed for a period of five years and may be re-appointed for another term of office.

The President and members of the Management Board of the Bank may be recalled prior to the expiry of their term of office in accordance with applicable laws and NLB's Articles of Association.

Each member of the Management Board of the Bank may prematurely resign her/his term of office with a period of notice of three months.

Supervisory Board

The Supervisory Board members are elected by the Shareholders' Meeting for a period of four years, in accordance

with NLB's Articles of Association. The Supervisory Board of the Bank shall, at its first meeting after the appointment, elect from among its members a Chair and at least one Deputy Chair of the Supervisory Board of the Bank.

Membership of the Supervisory Board members shall be terminated after the expiry of their terms of office or based on a resolution on removal adopted by the Shareholders Meeting. Supervisory Board members may resign at any time with a period of notice of three months.

In its Decision No. U-I-56-19, dated 13 June 2019, the Constitutional Court of the RoS rescinded the fourth paragraph of Article 33 of the Banking Act (ZBan-2) on workers' non-participation in the bank's managing bodies. In 2019, the right of workers on participation in bank's managing bodies, according to the Worker Participation in Management Act (ZSDU), has not been realised yet.

Changes to the company's Articles of Association

In accordance with provisions of the Companies Act (ZGD-1) and Article 18 of the NLB's Articles of Association, a qualified majority of at least 75% of the votes cast by shareholders is required for adoption and any amendments to the Bank's Articles of Association.

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

The General Meeting of Shareholders of NLB on 10 June 2019 authorised the Management Board for redeeming treasury shares and exclusion of the pre-emptive right of the existing shareholders in the disposal of treasury shares in the period of 36 months from the adoption of the

resolution at the General Meeting. Pursuant to the provisions of the Banking Act (ZBan-2) and other relevant regulations, the Bank is required to pay out the variable remuneration of certain employees (in part) in NLB's shares. The authorisation is valid for acquiring up to 36,542 NLB treasury shares, while the total percentage of shares acquired on the basis of this authorisation, together with the treasury shares already in possession of NLB, may not exceed 10% of NLB share capital (2,000,000 shares).

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

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

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

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

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

Based of Article 296 (3rd paragraph, fifth indent) of the Companies Act NLB informs shareholders on their rights as shareholders in an Information On Rights of Shareholders that is published among documents for convocation of each General Meeting (i.e., on expansion of the agenda, proposals by shareholders, voting proposals by shareholders, and the shareholders right to be informed).

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

A detailed description of the composition of the Management and Supervisory Bodies and their committees is in Appendices C.1 and C.2 of the Corporate Governance Code for Listed Companies as attachment to this statement.

6.1. The Management Board

The Management Board is the decision-making and representation body of the Bank. It manages the company, makes business decisions autonomously and independently, adopts the development strategy, ensures sound and effective risk management, acts with the highest

professional integrity, protects business secrets, and is held accountable for the legality of the Bank's operations within the limits set by the relevant regulations. In accordance with the Articles of Association, the Management Board consists of three to six members, one of whom is appointed President of the Management Board of the Bank.

In 2019, the Management Board of the Bank consisted of Blaž Brodnjak (a member since 1 December 2012, Deputy President since 5 February 2016, and President, CEO and CMO since 6 July 2016, with a new five-year term of office as at 6 July 2016); and members Archibald Kremser, acting as CFO (since 31 July 2013 and with a new five-year term of office as at 6 July 2016); Andreas Burkhardt acting as CRO (since 18 September 2013 and with a new five-year term of office as at 6 July 2016); and László Pelle acting as COO (since 26 October 2016). The five-year term of office of the President of the Management Board, Blaž Brodnjak, and the members of the Management Board, Archibald Kremser, and Andreas Burkhardt expire on 6 July 2021.

On 30 October 2019, the Supervisory Board of NLB and László Pelle, member of the Management Board and COO, agreed on the termination of office going into on 31 January 2020. On 29 November 2019, the Supervisory Board appointed Petr Brunclík as member of the Management Board, with a five-year term of office from the day he receives consent by the ECB. He will assume the function of COO and will be responsible for the IT, operations, procurement, and corporate real estate management departments.

The President and members of the Management Board of the Bank shall be appointed for a period of five years and may be re-appointed for another term of office. The president and members of the Management Board of the Bank may be recalled prior to the expiry of their term

of office in accordance with applicable laws and Articles of Association. Each member of the Management Board of the Bank may prematurely resign her/his term of office with a period of notice of three months. A member of the Bank's Management Board may only be a person who fulfils the legally prescribed conditions for a Management Board member under the law on banking, and who has obtained a license from the BoS or the ECB, in accordance with Articles of Association.

In 2019, the Management Board, with a support of the Bank's internal project team and external legal advisors, actively worked to complete the second phase of the sales process of the Bank, run under the leadership of SSH. On 21 June 2019, with the sale of NLB's shares up to the Blocking Minority (25% + 1 share) the second phase of privatisation of NLB was completed. Successfully finished privatisation process of NLB and the sale of insurance company NLB Vita d.d. in December 2019 resulted in fulfilment of the commitments towards the EC. Through the year, the Management Board also devoted considerable efforts to digitalisation, streamlining, and modernisation of processes and services of the Bank, and thus enabled that the entire Group gave to technological development and digitalisation new opportunities for future growth.

More detailed provisions on the method of work of the Management Board are set out by the Rules of procedure governing the work of the Management Board.

6.2. The Supervisory Board

The Supervisory Board shall perform its tasks in accordance with the provisions of the applicable legislation governing the operations of banks and companies, the Bank's Articles of Association, and its Rules of Procedure of the Supervisory Board of NLB. The Supervisory Board may engage legal and other consultants and institutions required by itself or its committees to perform their tasks.

From 1 January 2019 and until 28 February 2019 the Supervisory Board of NLB consisted of eight members, namely: Primož Karpe - Chairman; Andreas Kligen - Deputy Chairman; and the following members: Alexander Bayr, David Eric Simon, László Urbán, Vida Šeme Hočevar, Simona Kozjek, and Peter Groznik. Two members of the Supervisory Board submitted their resignation statements on 30 November 2019 giving three months' notice, as a result of changed EC commitments that the RoS submitted to the EC in 2018 which required independence of all members of the Supervisory Board.

Therefore, at the General Meeting on 10 June 2019 four members of Supervisory Board were elected (Mark William, Lan Richards, Shrenik Dhirajlal Davda, and Gregor Rok Kastelic), whereas one member's term of office was renewed (Andreas Kligen). On 28 June 2019, the Supervisory Board of NLB met for the first time with all nine members, as defined by the Articles of Association. At this meeting, the Supervisory Board also allocated members to its existing committees (Audit, Risk, Remuneration, and Nomination) and established a new committee for Operations & IT.

In accordance with the two-tier governance system and the authorisations for supervising the Management Board, the Banks' Supervisory Board issues approvals to the Management Board related to the Banks' business policy and financial plan, approves the strategy of the Bank and the Group, the internal control system organisation, the Annual Plan of the Internal Audit and to financial transactions defined in Articles of Association. The Supervisory Board acts in accordance with the highest ethical standards of management, considering the prevention of conflicts of interest.

In 2019, the Supervisory Board met at seven regular, 10 correspondence and

one extraordinary session and considered following key topics:

- Adopted the NLB Group Budget 2020 and acknowledged the financial projections for 2021-2024
- Adopted the Corporate Governance Statement of NLB, adopted the Risk Management Statement of NLB
- Approved the NLB Group Annual Report 2018, adopted the Report of the Supervisory Board of NLB on the results of examining the NLB Group Annual Report 2018, adopted the Annual Report of Internal Audit for 2018 for the General Meeting of shareholders
- Approved the Annual Corporate Social Responsibility Report for 2018 and approved the Statement on non-financial operations of the NLB Group for 2018
- Approved the proposal to convene the regular General Meeting of NLB for 10 June 2019 and proposal to convene the extraordinary General Shareholders' Meeting of NLB for 21 October 2019
- Approved the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP) and Risk Appetite Reports, Pillar III Disclosures for the NLB Group for 2018, capital optimisation activity for NLB and NLB Group in 2019, NLB Group NPLs wind-down strategy, the report on the Top 50 groups of clients by exposure in the NLB Group, on write-off of receivables from the off-balance sheet record
- Approved the Annual plan of the Internal Audit, the Annual Report of the Compliance and Integrity, the Interim Reports on the operations of the NLB Group, amendments to the Internal Audit Charter of NLB, regular annual Assessment on Risks in the Area of Compliance and Integrity, and acknowledged itself on the Internal Audit's Comprehensive Opinion 2018
- Approved achievements of the goals of the Management Board in 2018 and approved goals for the Management Board for 2019, appointed a new COO,

adopted decisions on succession planning for members of the Management Board, the report on self-assessment of the Supervisory Board, acknowledged itself about candidates for members of the Supervisory Board

- Acknowledged the presentation of IT, acknowledged IT performance indicators
- Adopted the regular quarterly reports on State Aid – the Status Reports and adopted Report on risks relating to the unfinished procedures before the EC regarding the State aid
- Acknowledged the regular reports on documents received from the regulator(s) BoS and ECB and on the implementation of the requirements
- Acknowledged the status report on the implementation on the activities concerning investor relations
- Adopted the amendments to the Rules of Procedure of the Risk Committee of the Supervisory Board of NLB, Rules of Procedure of the Audit Committee of the Supervisory Board of NLB, adopted changes to the Corporate Governance Policy of the NLB, acknowledged the amendments to the Corporate Governance Policy of NLB Group, approved the Rules on Inside Information; approved Policy on the Selection of suitable Candidates for members of the Management Board of the Bank
- Adopted decisions (or acknowledgements) on establishment of new companies, cross-border financing and international syndicated financing, large exposures, sale of receivables, write-offs of claims, divestment of the Group companies, legal proceedings involving NLB and NLB Group members, transactions with persons in special relations with the Bank, etc.

6.3. The Supervisory Board Committees

All five Committees for the Supervisory Board function as consulting bodies of the Supervisory Board of NLB and discuss the material and proposals of Management Board of NLB for the Supervisory Board

meetings related to a particular area.

The Supervisory Board has the following committees.

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

Committees are composed of at least three members of the Supervisory Board. The Chair of the Committee may only be appointed from among the members of the Supervisory Board. The Chair, Deputy Chair, and members of the Committee are appointed by a resolution of the Supervisory Board. The term of office of the Chair, the Deputy Chair, and the members of the Committee should not exceed their term of office as Supervisory Board members. The Supervisory Board may terminate the appointment of the chair, deputy chair, or a member of the Committee early without giving a reason.

6.3.1. The Audit Committee of the Supervisory Board of NLB

From 1 January 2019 the composition of the committee was as follows: David Eric Simon (Chairman), Alexander Bayr (Deputy Chairman), Primož Karpe, and Vida Šeme Hočevar (members). New members of the Supervisory Board were elected on the General Meeting dated 10 June 2019. From 28 June 2019, the composition of the committee was as follows: David Eric Simon (Chairman), Alexander Bayr (Deputy Chairman), Primož Karpe, Shrenik Dhirajlal Davda, and Gregor Rok Kastelic (members).

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

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

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

There were five regular sessions and four correspondence sessions of the Audit Committee in 2019. The following is a summary of the key topics considered by the Audit Committee:

- Annual Report of Internal Audit for 2018 for the General Meeting of shareholders
- Annual plan of the Internal Audit and Compliance
- Regular interim reports on the operations of the Group, Internal Audit's report, Report on the work of the Compliance and Integrity for 2018
- Amendments to the Internal Audit Charter of NLB
- Regular reports on overdue recommendations of the Internal Audit
- Regular Annual Assessment on Risks in the Area of Compliance and Integrity
- Reports on the documents received from BoS and ECB and on the implementation of the requirements of the BoS and ECB
- Approval of the NLB Group Annual Report, and approval of the Corporate Social Responsibility Report for 2018
- Information on cooperation with the external auditor in auditing the Group's annual report, in particular by means of exchanging briefings on major audit-related issues

6.3.2. The Risk Committee of the Supervisory Board of NLB

From 1 January 2019 the composition of the committee was as follows: Andreas Klingen (Chairman), László Urbán (Deputy Chairman), Simona Kozjek, Peter Groznik, and David Eric Simon (members). New members of the Supervisory Board were elected on the General Meeting dated 10 June 2019. From 28 June 2019, the composition of the committee was as follows: Andreas Klingen (Chairman), László Urbán (Deputy Chairman), Peter Groznik, Mark William Lane Richards and David Eric Simon (members).

There were five regular sessions of the Risk Committee in 2019. Following is a summary of key topics considered by the Risk Committee:

- Regular quarterly risk reports in NLB and the NLB Group
- ICAAP and ILAAP Manual and Statement on Liquidity Adequacy and regular ILAAP, ICAAP reports
- Pilar III Disclosures of the Basel Standards for the NLB Group for 2018
- Risk Appetite Reports
- approved updated version of Risk Appetite of the NLB Group and capital optimisation activity
- NLB Group NPLs wind-down strategy
- Report on Top 50 groups of clients by exposure in the NLB Group
- Report on Top 20 largest exposures to clients in restructuring procedures
- Proposal for the issuance of prior consent of the Supervisory Board of NLB, in accordance with the first paragraph of article 164 of Banking Act (ZBan-2), for a legal transaction based on which the Bank's total exposure to individual client or a group of related clients would reach or exceed 10% of the Bank's eligible capital (or if it increases by each subsequent 5% of the Bank's eligible capital)

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

6.3.3. The Nomination Committee of the Supervisory Board of NLB

From 1 January 2019 the composition of the committee was as follows: Primož Karpe (Chairman), Andreas Kligen (Deputy Chairman), Alexander Bayr, Vida Šeme Hočevar, and Peter Groznik (members). New members of the Supervisory Board were elected on the General Meeting dated 10 June 2019. From 28 June 2019, the composition of the committee was as follows: Primož Karpe (Chairman), Andreas Kligen (Deputy Chairman), Alexander Bayr, Peter Groznik and Mark William Lane Richards (members).

There were five regular sessions of the Nomination Committee in 2019. The following is a summary of key topics considered by the Nomination Committee:

- Assessment of collective suitability of members of the Supervisory Board (Fit&Proper)
- Regular annual suitability assessment of the Management Board and Supervisory Board
- selection of the Management Board member responsible for IT and operations (COO)
- Presentation of proposed new candidates to the Supervisory Board
- Assessment of suitability of the candidates for members of the Supervisory Board of NLB
- Amendments to the Rules of Procedure of the Nomination Committee of the Supervisory Board of NLB; Amendments for the Policy on selection of suitable candidates for members of the Supervisory Board of the bank; amendments for the Policy on selection of suitable candidates for members of the Management Board of the bank; amendments to the Policy on the

provision of diversity of the management body and senior management

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

6.3.4. The Remuneration Committee of the Supervisory Board of NLB

From 1 January 2019 the composition of the committee was as follows: Vida Šeme Hočevar (Chairwoman), Simona Kozjek (Deputy Chairwoman), Primož Karpe, and László Urbán (members). New members of the Supervisory Board were elected on the General Meeting dated 10 June 2019. From 28 June 2019, the composition of the committee was as follows: Alexander Bayr (Chairman), László Urbán (Deputy Chairman), Shrenik Dhirajlal Davda, and Gregor Rok Kastelic (members).

There were four sessions of the Remuneration Committee in 2019. The following is a summary of key topics considered by the Remuneration Committee:

- Realisation of goals of Management Board of NLB for 2018 and information on approved goals for 2019
- Assessment of performance and proposed variable part of remuneration for the directors of Internal Audit, Compliance and Integrity, and Global Risk
- Proposed amendments to the Policy on Remuneration for the Employees Performing Special Work

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

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

On session of the Supervisory Board dated 28 June 2019 a decision to establish

a new committee for Operations and IT was adopted. The Supervisory Board also adopted a decision on composition of the committee, which was as follows: Mark Willam Lane Richards (Chairman), Shrenik Dhirajlal Davda (Deputy Chairman), Primož Karpe, Andreas Kligen, and László Urbán (members).

There were two sessions of the Operations and IT Committee 2019. The Operations and IT Committee acknowledged itself with:

- IT performance indicators
- Top 5 IT priorities
- Presentation of IT and Operations (Priorities Dashboard)

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

Composition of the Committees of the Supervisory Board is described in detail in the Appendix C.2 of the Corporate Governance Code for Listed Companies (as attachment to this statement).

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

7.1. Supervisory Board, Management Board and senior management

The second version of Policy on the Provision of Diversity of the Management Body and Senior Management was adopted on 33th General Meeting of Shareholders on 10 June 2019. The previous Policy on the Provision of Diversity of the Members of the Supervisory Board (2006), was supplemented and extended on the members of the Management Board and members of the senior management.

With the **Policy on the provision of diversity of the management body and senior management**, NLB sets the framework in the area of diversity of and representation of both genders in the management and supervision bodies (Supervisory Board and Management Board) and the senior management. It also lays down the process of the selection and appointment of candidates (defined in more detail in the Policy on the selection of suitable candidates for members of the Supervisory Board and the Policy on the selection of suitable candidates for members of the Management Board), which enables the management body to be composed in such manner that, as a whole, it possesses suitable knowledge, skills, and experience needed for in-depth understanding of the strategy and challenges of the Bank, and the risks to which the latter is exposed.

The key amendments to the second edition of the policy include the determination of policy objectives and the way in which these objectives are achieved, while at the same time the policy specifies its implementation and reporting.

As described in the chapter Corporate Governance in the NLB Group Annual Report 2019, two members were females in the composition of the Supervisory Board until 28 February 2019. However, even though selection process for four new members of the Supervisory Board was open to candidates of both genders, female representatives did not participate in the selection process, therefore, on General Meeting on 10 June 2019 only male representatives were elected as members of the Supervisory Board of NLB.

No changes in the composition of the Management Board were made in 2019. On 31 December 2019 the Management Board of the Bank was composed of Blaž Brodnjak, President, CEO and CMO; Archibald Kremser, CFO; Andreas Burkhardt, CRO; and László Pelle, COO. On 30 October 2019, the Supervisory Board of NLB and László Pelle, agreed on the termination of office going into effect on 31 January 2020. On 29 November 2019, the Supervisory Board appointed Petr Brunclík as member of the Management Board.

Ljubljana, 2 April 2020

The Supervisory Board



Primož Karpe
Chairman of the
Supervisory Board

The Management Board



Archibald Kremser
Member of the
Management Board



Andreas Burkhardt
Member of the
Management Board



Blaž Brodnjak
President & CEO

Table 28: Composition of Management in financial year 2019 (C.1)

Name and Surname	Position held (president, member)	Area of work covered within the Management Board	First appointment to the position
Blaž Brodnjak	President	CEO	6 July 2016
Andreas Burkhardt	Member	CRO	13 September 2013
Archibald Kremser	Member	CFO	31 July 2013
László Pelle	Member	COO	26 October 2016

Table 29: Composition of Supervisory Board and Committees in financial year 2019 (C.2)

Name and Surname	Position held (president deputy, member)	First appointment to the position	Conclusion of the position / term of office	Representative of the company's capital structure / employees	Attendance at SB session in regard to the total number of SB session (for example 5/7) applicable on his/her mandate
Primož Karpe	President	10 February 2016	2020	No	7/7
Andreas Klíngen	Deputy President	22 June 2015 / 10 June 2019	2019/2023	No	7/7
Alexander Bayr	Member	4 August 2016	2020	No	7/7
David Eric Simon	Member	4 August 2016	2020	No	7/7
László Urbán	Member	10 February 2016	2020	No	6/7
Vida Šeme Hočevár	Member	8 September 2017	28 February 2019	No	1/1
Simona Kozjek	Member	8 September 2017	28 February 2019	No	1/1
Peter Groznik	Member	8 September 2017	2021	No	6/7
Mark William Lane Richards	Member	10 June 2019	2023	No	3/3
Shrenik Dhirajlal Davda	Member	10 June 2019	2023	No	3/3
Gregor Rok Kastelic	Member	10 June 2019	2023	No	3/3

Conclusion of the position / term of office	Citizenship	Year of birth	Qualification	Professional profile	Membership in supervisory bodies in companies not related to the company
5 July 2021	Slovene	1974	MBA	Banking / Finance	Banks' Association of Slovenia
5 July 2021	German	1971	MBA	Banking / Finance	
5 July 2021	Austrian	1971	MBA	Banking / Finance	
31 January 2020	Hungarian	1966	MSc	Banking Operations and IT Management	

Gender	Citizenship	Year of birth	Qualification	Professional profile	Independence under Article 23 of the Code (YES/NO)	Existence of conflict of interest, in the business year (YES/NO)	Membership in supervisory bodies in other companies or institutions
male	Slovene	1970	MSc	Banking / Finance	YES	NO	
male	German	1964	University Degree	Banking / Finance	YES	YES	Kyrgyz Investment and Credit Bank CISC, Credit Bank of Moscow PJSC, Nepi Rockcastle plc
male	Austrian	1960	University Degree	Banking / Finance	YES	NO	WKBG Bank, Vienna
male	British	1948	Higher National Diploma in Business Studies	Banking / Finance	YES	NO	Jihlavan a.s., Central Europe Industry Partners a.s.
male	Hungarian	1959	PhD	Banking / Finance	YES	NO	Ukreximbank, Ukraine
female	Slovene	1967	PhD	Finance/ Insurance	YES	YES	
female	Slovene	1975	MSc	Banking / Finance	YES	YES	Hit, d.d. (since December 2018)
male	Slovene	1971	PhD	Finance, industry, investment banking	YES	NO	MSIN d.o.o., Ljubljana, CETIS d.d., Ljubljana
male	British	1966	MSc	Banking / Finance	YES	NO	CIB Bank Egypt, Sheffield Haworth Ltd, Vencap International
male	British	1960	MSc	Finance	YES	NO	Ukrgasbank, Kyiv, Ukraine
male	Slovene	1968	MSc	Banking / Finance	YES	YES	

Name and Surname	Membership in committees (audit, nominal, income committee, etc.)	First appointment to the position	Conclusion of the position / term of office	President / Member	Attendance at sessions of SB's Committees in regard to the total number of SB's session (applicable on his/her mandate)
Vida Šeme Hočevar	Remuneration Committee	6 October 2017	28 February 2019	President	0/0
Simona Kozjek	Remuneration Committee	6 October 2017	28 February 2019	Deputy President	0/0
Primož Karpe	Remuneration Committee	15 April 2017	17 June 2019	Member	3/3
László Urbán	Remuneration Committee	6 October 2017 / 1 March 2019	2020	Member / Deputy President	4/4
Alexander Bayr	Remuneration Committee	1 March 2019	2020	President	4/4
Shrenik Dhirajlal Davda	Remuneration Committee	28 June 2019	2023	Member	1/1
Gregor Rok Kastelic	Remuneration Committee	28 June 2019	2023	Member	1/1
Primož Karpe	Nomination Committee	15 April 2016	2020	President	5/5
Andreas Kligen	Nomination Committee	19 February 2016	2023	Deputy President	5/5
Alexander Bayr	Nomination Committee	6 October 2017	2020	Member	5/5
Vida Šeme Hočevar	Nomination Committee	6 October 2017	28 February 2019	Member	0/0
Peter Groznik	Nomination Committee	6 October 2017	2021	Member	5/5
Mark William Lane Richards	Nomination Committee	28 June 2019	2023	Member	1/1
David Eric Simon	Audit Committee	7 April 2016	2020	President	5/5
Alexander Bayr	Audit Committee	26 August 2016	2020	Deputy President	5/5
Primož Karpe	Audit Committee	19 February 2016	2020	Member	5/5
Vida Šeme Hočevar	Audit Committee	6 October 2017	28 February 2019	Member	0/0
Shrenik Dhirajlal Davda	Audit Committee	28 June 2019	2023	Member	2/2
Gregor Rok Kastelic	Audit Committee	28 June 2019	2023	Member	2/2
Andreas Kligen	Risk Committee	19 February 2016	2019 / 2023	President	5/5
László Urbán	Risk Committee	26 August 2016	2020	Deputy President	5/5
Simona Kozjek	Risk Committee	6 October 2017	28 February 2019	Member	0/0
Peter Groznik	Risk Committee	6 October 2017	2021	Member	4/5
David Eric Simon	Risk Committee	26 August 2016	2020	Member	5/5
Mark William Lane Richards	Risk Committee	28 June 2019	2023	Member	2/2
Mark William Lane Richards	Operational and IT Committee	28 June 2019	2023	President	2/2
Shrenik Dhirajlal Davda	Operational and IT Committee	28 June 2019	2023	Deputy President	2/2
László Urbán	Operational and IT Committee	28 June 2019	2020	Member	2/2
Andreas Kligen	Operational and IT Committee	28 June 2019	2023	Member	2/2
Primož Karpe	Operational and IT Committee	28 June 2019	2020	Member	2/2

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

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

Table 30: Composition and amount of remuneration of the Management Board members in the financial year 2019 (C.3)

Name and Surname	Position held (president/member)	Fixed income -gross (1)	Variable income - gross		Total (2)	Deferred income (3)	Severance pay (4)	Bonuses (5)	'Draw-back' (6)	Total gross (1+2+3+4+5-6)	Total net*
			on the basis of quantity criteria	on the basis of quality criteria							
Blaž Brodnjak	president	433,881.77			45,496.87		0.00	2,172.98	0.00	481,551.62	201,966.35
Archibald Kremser	member	412,972.63			45,496.87		0.00	25,392.87	0.00	483,862.37	180,419.32
Andreas Burkhardt	member	397,290.83			45,496.87		0.00	18,515.24	0.00	461,302.94	178,521.29
László Pelle	member	355,472.71			25,000.00		0.00	30,363.58	0.00	410,836.29	149,729.16

*This chart does not include other benefits and cost refunds.

Table 31: Composition and amount of remuneration of members of the Supervisory Board and committee members in the financial year 2019 (in EUR) (C.4)

Name and Surname	Position held (president, deputy president, member, external member of a Committee)	Payment for the performance of services - gross per year (1)	Attendance fees for SB and committees - gross per year (2)	Total gross (1+2)	Total net*	Travel expenses
Primož Karpe	President	48,979.84	7,260.00	56,239.84	56,239.84	9,698.01
Andreas Klingen	Deputy President	41,136.09	5,940.00	47,076.09	32,408.09	17,535.50
László Urbán	Member	33,384.07	5,445.00	38,829.07	25,578.50	6,758.55
Alexander Bayr	Member	38,758.06	6,765.00	45,523.06	29,988.11	15,991.69
David Eric Simon	Member	36,993.95	6,380.00	43,373.95	28,572.48	16,770.34
Simona Kozjek	Member	3,750.00	935.00	4,685.00	3,407.42	0.00
Vida Šeme Hočevar	Member	5,000.00	1,155.00	6,155.00	4,476.55	22.00
Peter Groznik	Member	32,213.71	5,720.00	37,933.71	27,589.29	4,056.69
Mark William Lane Richards	Member	26,008.06	2,200.00	28,208.06	18,581.99	4,119.19
Shrenik Dhirajlal Davda	Member	23,071.57	2,200.00	25,271.57	16,647.60	6,136.43
Gregor Rok Kastelic	Member	21,901.21	1,980.00	23,881.21	17,368.83	4,406.03

* After the prepayment of income taxes which is not taken into account in potential subsequent balancing payments of personal income taxes.