

Pursuant to Article 66 paragraph 1 item 2 of the Law on Banks ("Official Gazette of the RS", no. 107/2005, 91/2010 and 14/2015) and Article 14, paragraph 1, item 2 of the Articles of Association of Banca Intesa joint-stock company Belgrade, the Bank's Shareholders' Assembly, at its session held on March 8<sup>th</sup>, 2024 in Belgrade, adopted the revised text of the

**ARTICLES OF ASSOCIATION**  
**of**  
**BANCA INTESA JOINT - STOCK COMPANY, BELGRADE**

**I GENERAL PROVISIONS**

**Article 1**

Banca Intesa joint-stock company Belgrade (hereinafter referred to as: the Bank) is a legal personality that has acquired the legal subjectivity under the previous business name of Delta banka ad Beograd by being entered in the court register (decision of the Commercial Court in Belgrade, no. Fi. 1125/91 dated 15<sup>th</sup> October 1991), with full legal capability, rights, obligations and responsibilities as provided by the Law, the Memorandum of Association and these Articles of Association. The Bank has harmonized its business activities and bylaws with the Law on Banks and Other Financial Organizations as published in the "Official Gazette of FRY", no. 32/93 (decision of the Commercial Court in Belgrade, no. Fi.16966/95 dated 16<sup>th</sup> October 1995). The Bank has harmonized its by-laws with the provisions of the Law on changes and amendments to the law on banks and other financial organizations as published in the "Official Gazette of FRY" no. 44/99. The Bank has changed its business name by decision of the Business Registers Agency no. 98737/2005 dated 29<sup>th</sup> November 2005, upon receiving consent from the National Bank of Serbia (decision G. no. 8761 dated 23<sup>rd</sup> November 2005). The Bank has complied its organization and acts with the provisions of the Law on Banks, published in the „Official Gazette of RS“, no. 107/2005, upon receiving previous consent from the National Bank of Serbia (decision G. no. 8276 dated 18<sup>th</sup> September 2006). Subject to the previously obtained consent of the National Bank of Serbia, on the ground of the Serbian Business Registers Agency's resolution no. 153026/2007 dated 31<sup>st</sup> December 2007, the Bank has exercised the statutory change of merger, by absorbing Panonska banka a.d. Novi Sad. The Bank is legal successor of all rights and obligations of Panonska banka a.d. Novi Sad which shall cease to exist due to the merger by absorption. The Bank has complied its organization and acts with the provisions of the Law on Banks, published in the „Official Gazette of RS“, no. 107/2005 and 91/2010 by the decision of the Serbian Business Registers Agency no. 112063/2010 dated 6<sup>th</sup> October 2010, upon receiving previous consent from the National Bank of Serbia. The Bank has complied its organization and acts with the provisions of the Law on Business Companies, published in the „Official Gazette of RS“, no. 36/11 and 99/11 by the decision of the Serbian Business Registers Agency no. 85268/2012 dated 27<sup>th</sup> June 2012, upon receiving previous consent from the National Bank of Serbia. The Bank has harmonized its business operations and



enactments with the Law on Banks published in the "Official Gazette of the RS", no. 107/05, 91/2010 and 14/2015.

The Bank is a joint – stock company established for an indefinite period of time.

The Bank is not a public joint – stock company in terms of the law governing capital market.

The Bank holds all rights, obligations and responsibilities in legal transactions regarding its available assets.

The available assets of the Bank shall be used in accordance with their nature and purpose.

The Bank is a member of Intesa Sanpaolo Banking Group registered in the Banking Groups Registry of Bank of Italy. Pursuant to the applicable laws, the Bank is obliged to observe the regulations issued by Intesa Sanpaolo S.p.A. in the capacity of a Parent Company within the exercise of the governance and coordination activities, in order for the Parent Company to be compliant with its regulatory duties in respect of the safeguard of the Group's stability, provided that this is compliant with the Serbian legislation. The management of the Bank shall provide Intesa Sanpaolo S.p.A. with all the data and information required for the exercise of the above governance activity.

#### **Business Name**

##### ***Article 2***

The Bank shall operate under the business name: Banca Intesa akcionarsko društvo Beograd (Banca Intesa joint-stock company Belgrade).

The Bank's abbreviated business name shall be: -Banca Intesa ad Beograd  
-Banca Intesa ad.

#### **Registered Office**

##### ***Article 3***

The Bank's registered office shall be located in Belgrade, at the address 7b Milentija Popovića.

#### **Stamp, Seal and Signet**

##### ***Article 4***

The Bank in its business operations uses seal, stamp and signet.

The seal, stamp and signet contain Bank's abbreviated business name - Banca Intesa ad Beograd.

The regional centers and branches of the Bank have their own seal and stamp that also contain the following elements: business name of the regional center and branch number.

The form, contents, size and usage of the stamp, seal and signet are prescribed by the Bank's Executive Board (hereinafter referred to as: Executive Board).

**Letterhead**  
**Article 5**

In legal transactions, official relations and correspondence with legal and natural persons, the Bank shall use its letterhead, containing the stipulated elements in Articles 2 and 3 of these Articles of Association, i.e. for the regional centers and branches: name and registered office of the regional center or branch, together with other required elements.

The Executive Board shall determine the form and exact content of the letterhead.

<b>II ORGANIZATION AND METHOD OF OPERATION OF THE BANK AND THE AUTHORIZATIONS OF ORGANIZATIONAL UNITS IN LEGAL TRANSACTIONS</b>
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**Position in Legal Transactions**  
**Article 6**

The Bank is a legal entity.

The Bank is independently performing business operations within the country and abroad in accordance with regulations and internal enactments, aimed at making profit.

The Bank is entitled to enter into legal transactions and agreements as well as to carry out other legal actions and business within the framework of its scope of business.

The Bank is operating on its behalf and for its account, on its behalf and for the account of other persons, and on behalf and for the account of other persons, in accordance with the regulations.

The Bank is liable for its obligations with its complete assets.

The shareholder is liable for the Bank's obligations in accordance with the law governing business companies.

**Banking Operations**  
**Article 7**

The Bank shall carry out the following operations:

- 1) deposit operations (receiving and giving of deposits);
- 2) lending operations (lending and borrowing);
- 3) foreign exchange, foreign currency and exchange operations;
- 4) payment services;
- 5) issue of payment cards;
- 6) operations with securities (issue of securities, etc.);
- 7) brokerage and dealing operations;
- 8) sales services regarding investment units of investment funds;
- 9) issue of guarantees, avals and other forms of securities (guarantee operations);
- 10) purchase, sale and collection of receivables (factoring, forfeiting etc.);
- 11) insurance representation operations, with the prior approval of the National Bank of Serbia;

- 12) operations for other members of the banking group, in accordance with the law, on the basis of previously signed agreement and
- 13) operations as authorized by the Law.

### **Territorial Organization** **Article 8**

The Bank is entitled to carry out its business at the Bank's head-office, regional centers and branches.

### **Regional Centers** **Article 9**

Regional centers encompass two or more territorially and organizationally connected branches.

Regional centers have no legal personality and appear in legal transactions under the business name of the Bank and under their own business names.

In legal transactions regional centers are entitled to enter into contracts and to carry out other legal actions within the framework of its scope of business.

Concerning authority in legal transactions with third parties, regional centers are acting in accordance with the conferred authorizations.

Regional centers are operating in legal transactions on behalf and for the account of the Bank, which means that they cannot create liabilities on their behalf and for their own account.

For such liabilities created by regional centers during the course of executing their authorities, the Bank shall be held liable with its complete assets.

### **Branches** **Article 10**

The Bank's branches have no legal entity status and operate in legal transactions under the name of the Bank and under their own business names.

Branches are entitled in legal transactions to enter into contracts and to carry out other legal actions and operations within their subject of business.

Concerning authority in legal transactions with third parties, branches are acting in accordance with the conferred authorizations.

Branches are operating in legal transactions on behalf and for the account of the Bank, which means that they cannot create liabilities on their behalf and for their own account.

For the liabilities created by branches during the course of executing their authorities, the Bank shall be held liable with its complete assets.

### **Internal Organization**

## **Article 11**

The Board of Directors of the Bank (hereinafter referred to as: the Board of Directors) shall establish the internal organization, namely the principles of organization into basic and lesser organizational parts in the Bank's internal structure in which the Bank's business activities are performed, as well as the basic principles of the Bank's internal organization, providing for the division of powers, duties and responsibilities of employees, members of the Bank's management bodies and other persons holding managing positions in the Bank, in the manner which prevents the conflict of interests and ensures a transparent and documented process of decision making and implementation, while the Executive Board shall implement these principles by enumerating basic job responsibilities of employees in organizational parts.

Within the scope of the Bank the following can be organized: divisions, departments and offices.

The organizational parts stipulated in paragraph 2 of this Article shall be established depending on the type of banking operations they provide, technological well roundedness of activities, number and complexity of technological connections, complexity of jobs, co-ordination, number of staff and personnel structure.

The Board of Directors shall decide on establishing, merging, takeover, dividing and winding-up of organizational parts stipulated in paragraph 2 of this Article.

### **III BANK'S BODIES**

**(composition, issues to be decided upon, decision-making process and terms of office of members)**

#### **The Bank's Bodies**

##### **Article 12**

The Bank's corporate bodies are:

- The Shareholders' Assembly (hereinafter referred to as: the Shareholders' Assembly);
- The Board of Directors, as the management body, and
- The Executive Board, as the management body.

In addition to the bodies mentioned in paragraph 1 of this Article, the Bank's committees are:

- The Committee for Monitoring Business Activities of the Bank (Audit Committee),
- The Credit Committee and
- The Asset and Liabilities Management Committee.

#### **THE SHAREHOLDERS' ASSEMBLY**

##### **Composition and Position**

##### **Article 13**

The Shareholders' Assembly is composed of the Bank's sole shareholder.

The Shareholders' Assembly is the highest body of the Bank.

**Competences**  
**Article 14**

The Shareholders' Assembly:

- 1) adopts the Bank's business policy and strategy which define the business objectives of the Bank for a period of at least three years;
- 2) adopts the Articles of Associations and the changes and amendments to the Decision on the establishment and the Articles of Association of the Bank;
- 3) decides on the change of registered office and business name of the Bank;
- 4) adopts the financial statement of the Bank and decides on the usage and distribution of realized profits and/or coverage of losses;
- 5) decides on the increase of the Bank's capital, and/or investments in the capital of another bank or other legal entities;
- 6) decides on the amount of investment into the Bank's fixed assets;
- 7) appoints and releases the president and the members of the Board of Directors;
- 8) determines the remuneration of the members of the Board of Directors;
- 9) decides on status changes and on the winding-up of the Bank;
- 10) appoints and dismisses the external auditor;
- 11) discusses and adopts the annual reports of the Board of Directors and the Executive Board;
- 12) adopts rules of procedure on its own operations and
- 13) decides also on other issues as set forth by the applicable laws and these Articles of Association.

The Shareholders' Assembly may not delegate the decision-making from paragraph 1 of this Article onto any other Bank's body.

Detailed rules related to the work and organization of the sessions are determined by the rules of procedure of the Shareholders' Assembly.

**Meetings**  
**Article 15**

The Shareholders' Assembly shall be convened at least once per year as an ordinary meeting, and during the year, if required, as extraordinary meeting.

The Board of Directors shall inform the National Bank of Serbia on the date and the agenda of the Shareholders' Assembly within the term stipulated for notifying its shareholder.

**Ordinary Shareholders' Assembly**  
**Article 16**

An Ordinary Shareholders' Assembly shall be convened by the Board of Directors not later than within 6 months of the end of the previous business year for the approval of the financial statement of the preceding year.

**Extraordinary Shareholders' Assembly**  
**Article 17**

An extraordinary session of the Shareholders' Assembly can be convened upon request of:

- 1) Board of Directors and
- 2) shareholder.

The Board of Directors shall convene extraordinary Shareholders' Assembly:

- 1) when the Bank becomes undercapitalized;
- 2) upon request of the Bank's internal audit, of the Bank's external auditor or the Committee for Monitoring Business Activities of the Bank;
- 3) upon request of the National Bank of Serbia;
- 4) always when it finds it necessary.

### **Shareholders' Assembly Convening Procedure** *Article 18*

An invitation to the Ordinary Shareholders' Assembly meeting shall be submitted to the shareholder on the day of the adoption of decision on convening the Shareholders' Assembly, and at the latest 30 days prior to the date of the Ordinary Shareholders' Assembly.

An invitation to the Extraordinary Shareholders' Assembly meeting shall be submitted to the shareholder at the latest 21 days prior to the date of the Extraordinary Shareholders' Assembly.

The invitation shall be delivered per registered mail with return receipt to the address of the registered office of the sole shareholder, i.e. by e-mail or via application supporting the operation of the Bank's Boards/Committees, subject to the previous written consent of a shareholder to such delivery. The invitation along with the agenda shall be delivered or the delivery shall be organized by the organizational part of the Bank performing the function of General Secretariat of the Bank.

To the invitation from paragraph 1 of this Article the Bank shall attach the agenda, the financial reports, together with the auditor's report, the report of the Board of Directors and the Executive Board on the Bank's business operations, text of any draft proposal of the Shareholders' Assembly resolution, together with any other materials necessary for the adoption of the relevant resolutions, ballot and any enactments in accordance with the Articles of Association and the law.

The date of sending the invitation referred to in paragraph 1 and 2 of this Article shall be considered the date of sending per registered mail, by e-mail, i.e. the date of sending the invitation through application supporting the operation of the Bank's Boards/Committees.

Notwithstanding the paragraph 2 of this Article, the Extraordinary Shareholders' Assembly meeting may be held even without convocation, invitation of shareholder and submission of meeting materials, with the consent of shareholder.

### **Agenda** *Article 19*

At a Shareholders' Assembly session decisions can be taken only on those items of the agenda which were duly published and included in the agenda pursuant to the law and these Articles of Association, however, other issues can be discussed if agreed by the shareholder.

Shareholder has the opportunity to propose amending of agenda but no later than 20 days before ordinary and 10 days before extraordinary Shareholders' Assembly.

**The Chairman of the Shareholders' Assembly**  
**Article 20**

The Shareholders' Assembly is chaired by the chairman of the Shareholders' Assembly.

The chairman of the Shareholders' Assembly shall be the shareholder or the person who is representing him/her.

**Personal Voting or Voting through Proxies**  
**Article 21**

A shareholder may vote personally or through a proxy, in accordance with the law and these Articles of Association.

A shareholder may issue a letter of proxy in writing to a specific person stating his/her full name.

The letter of proxy shall be issued to the proxy and submitted to the head of the competent organizational part of the Bank performing the function of General Secretariat of the Bank.

The letter of proxy is issued as a rule for one Shareholders' Assembly and remains valid for a repeated Shareholders' Assembly, which was postponed due to lack of quorum, lack of time or due to other reasons.

If the proxy contains instructions or orders on how to exercise the voting rights, the proxy shall be obligated to act in accordance with them. In any case, if the proxy does not contain instructions, the proxy shall exercise his/her voting rights in his/her best conscience and to the best interest of the shareholder.

The proxy notifies the shareholder, through the head of the competent organizational part of the Bank that performs the function of the General Secretariat, who provided him/her with the letter of proxy on the voting in the Shareholders' Assembly, by submitting the minutes from the meeting.

**Voting Commission**  
**Article 22**

The chairman of the Shareholders' Assembly shall appoint the keeper of the minutes and the members of the voting commission from among the Bank's employees.

The voting commission, consisting of at least 3 members:

- 1) determines whether the shareholder or its proxy are attending and verifies the identity of the proxy;



- 2) determines the existence of quorum for the Shareholders' Assembly;
- 3) determines validity of proxy and contained instructions;
- 4) determines and publishes the voting results;
- 5) submits ballots to the Bank's archive for safekeeping, if the voting was conducted by way of ballots;
- 6) also conducts other operations in accordance with any rules of procedure of the Shareholders' Assembly.

The voting commission shall act impartially and conscientiously. It shall submit a written report i.e. minutes as proof of the voting results at the Shareholders' Assembly.

### **Special Notification of Shareholder** **Article 23**

The shareholder has the right to ask questions to the president and members of the Board of Directors which are related to the items on the agenda as well as other issues regarding the Bank, only to the extent that the answers to these questions are necessary for the proper assessment of the issues relating to the agenda items.

The Board of Directors is obliged to answer to the question defined in the previous paragraph.

Exceptionally, the Board of Directors can deny an answer:

- 1) if it could reasonably be concluded that by providing an answer damage could be caused to the Bank or its related entity;
- 2) if a crime would be committed by answering the question;
- 3) if the information is available on the internet page of the Bank in form of questions and answers, at least 7 days before the date of the respective session of the Shareholders' Assembly.

If the shareholder was denied of an answer, this should be recorded in the minutes of the Shareholders' Assembly, together with the reasons why he/she had been denied of such answer.

### **Quorum** **Article 24**

The quorum exists if the shareholder or the person representing him/her is attending. The quorum includes also the shareholder's vote in writing, by email or through application supporting the operation of the Bank's Boards /Committees.

If the Shareholders' Assembly was postponed due to lack of quorum, it can be convened again with the identical agenda, in the manner that it should be held not later than 30 days and at the earliest 15 days of the date of postponement (repeated Shareholders' Assembly).

An invitation to the repeated Shareholders' Assembly meeting shall be submitted to the shareholder at the latest 10 days prior to the date of the repeated Shareholders' Assembly.

If the repeated Shareholders' Assembly fails to produce the required quorum or if it was not held in the prescribed term, a new Shareholders' Assembly shall be convened and held.

The quorum at the Shareholders' Assembly, which is the same for the initial as well as for the repeated Shareholders' Assembly meeting, shall be established prior to opening of discussions on the points of the agenda.

**Majority for Resolutions**  
**Article 25**

If the Shareholders' Assembly has a quorum, the resolutions are taken unanimously.

**Voting Method**  
**Article 26**

The voting at the Shareholders' Assembly shall be conducted publicly.

In case of a video conference of the Shareholders' Assembly from Article 28 hereof, the voting shall be conducted by oral declaring of the shareholder.

**Casting Votes in Writing or Electronically**  
**Article 27**

Shareholder may cast his/hers votes in writing, without verification of signature, via email or through application supporting the operation of the Bank's Boards/Committees with clear expression on the issues about the items on the agenda.

After the session of the Shareholders' Assembly, the manner of voting shall be stated in the minutes.

**Video Conference and written sessions**  
**Article 28**

Shareholders' Assembly meetings can be held by way of video conference or another audio and video communication, providing that all attendees of the meeting can see each other, listen and talk to each other, in a manner that provides clear identification of all the attendees' and therefore, persons attending the meeting in such a way are deemed to have personally been attended the meeting.

Shareholders' Assembly meetings can also be held in writing with a clear expression of the shareholder by email, filling out a ballot or through application supporting the operation of the Bank's Boards /Committees (herein after referred to as: written sessions).

Written sessions are considered to have been held and decisions adopted on the day of the session specified in the invitation to the Shareholders' Assembly meeting, if there is a quorum in accordance with Article 24 of these Articles of Association.

**Minutes**  
**Article 29**

Every resolution of the Shareholders' Assembly shall be entered into the minutes kept by the keeper of minutes.

The chairman of the Shareholders' Assembly is responsible for proper keeping of the minutes.

The content and preparation of the minutes of the Shareholders' Assembly are determined by the rules of procedure of the Shareholders' Assembly.

The minutes from the Shareholders' Assembly shall especially contain the following: place, date and time of the Shareholders' Assembly, modalities of holding the meeting (physical presence, in writing, by electronic means), agenda, given name and family name of the chairman, keeper of minutes, members of the voting commission and other persons attending the session, quorum, method of voting and voting results "for", "against" and "abstained" for each resolution, abstract of the discussion, together with the list of resolutions passed at the Shareholders' Assembly.

A list of participants and proof of the prescribed convening shall represent an integral part of the minutes of the Shareholders' Assembly.

The minutes of the Shareholders' Assembly shall be signed by the chairman of the Shareholders' Assembly, the keeper of minutes and all members of the Voting Commission.

The Bank shall maintain a record of all Shareholders' Assembly decisions in a reliable manner.

### **Miscellaneous** **Article 30**

All other issues regarding ordinary and extraordinary Shareholders' Assembly shall be subject to the provisions of the law governing banks, and accordingly the provisions of the law regulating business companies which refer to Shareholder Assembly.

## **BOARD OF DIRECTORS**

### **Composition** **Article 31**

The president and the members of the Board of Directors are elected by the Shareholders' Assembly.

The president and the members of the Board of Directors shall fulfill conditions prescribed by law.

The Board of Directors may have a deputy president of the Board of Directors.

The Board of Directors shall be composed of at least 5 members including the president and, as the case may be, a deputy president of the Board of Directors.

### **Term of office and Resolution**

### **Article 32**

The term of office of the president and the members of the Board of Directors shall be up to 3 years, as defined by the specific decision on the appointment, and the same person may be repeatedly reelected into the Board of Directors.

In case of re-election of the existing member of the Board of Directors whose term of office expires, the Bank shall submit to the National Bank of Serbia, within the prescribed period, a request for prior approval for the re-election of that member, with a view of maintaining the continuity of his/her term of office. A member of the Board of Directors for whom the Bank has submitted a request to the National Bank of Serbia for prior approval for re-election, continues to perform his/her function in the period from the expiration of the current term of office until his /her re-election, i.e. until receiving the decision of the National Bank of Serbia deciding on the submitted request of the Bank. If the National Bank of Serbia passes a decision refusing to give prior consent to the re-election of a member of the Board of Directors, the Shareholders' Assembly passes a decision on the dismissal of that member from the Board of Directors.

Any member of the Board of Directors can submit his/her resignation from this function by submitting a statement thereof to the Board of Directors, providing that the submitted resignation shall produce legal effect only after the Shareholders' Assembly acknowledges it by decision.

In case that by expiration of term of office, resignation or relieving of duty of a member of the Board of Directors the number of members of the Board drops under the legal minimum, the term of office of the concerned member shall be automatically extended until the beginning of the term of office of a new member, for the period of 3 months at most. No later than the expiry of this period, the Shareholders' Assembly shall by decision relieve of duty, i.e. acknowledge resignation of a member of the Board of Directors simultaneously with the appointment of a new member of the Board of Directors.

A member of the Board of Directors can be relieved of duty by the decision of the Bank's Shareholders' Assembly.

The Bank shall inform the National Bank of Serbia about relieving of duty or resignation of a member of the Board of Directors of the Bank within 10 days from the day of relieving or resignation, followed by a rationale.

The Bank is obliged to notify the National Bank of Serbia about changed circumstances related to fulfilment of conditions for appointed members of the Board of Directors.

### **Responsibilities and Competence**

#### **Article 33**

The members of the Board of Directors are responsible that the Bank's business operations are in accordance with the law, regulations and enactments of the National Bank of Serbia, as well as with other enactments and procedures stipulated by the Bank's bodies in accordance with the duties and responsibilities of the Board of Directors set forth by the Law on Banks, regulations adopted under this Law, Articles of Association and internal regulations of the Bank.

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The Board of Directors:

- 1) convenes sessions of the Shareholders' Assembly;
- 2) prepares proposals of resolutions for the Shareholders' Assembly and is responsible for the execution of such resolutions;
- 3) adopts the proposal of the Bank's business policy and strategy and submits them to the Shareholders' Assembly for adoption;
- 4) establishes the risk management strategy and policies as well as the strategy of management of the Bank's capital;
- 5) determines general conditions for the Bank's business operations, as well as their changes and amendments;
- 6) elects and dismisses the president and the members of the Executive Board;
- 7) elects and dismisses the members of the committees from Article 12, paragraph 2 of the Articles of Association;
- 8) determines the amounts up to which the Executive Board may decide on the investments and borrowing of the Bank and decides on the investments and borrowing of the Bank in excess of such amounts;
- 9) gives prior consent to the Bank's exposure towards each person or group of affiliated persons above 10% of the Bank's capital, capital, or for the increase of such exposure above 20% of the Bank's capital;
- 10) conducts supervision of the operations of the Executive Board;
- 11) establishes the system of internal controls and supervises its efficiency;
- 12) adopts the program and plan of the Bank's internal audit and the methodology of its operations;
- 13) analyzes external and internal audit reports on the audit results, as well as the reports on the activities and work of internal audit and approves the annual report on the adequacy of risk management and the Bank's internal control;
- 14) adopts quarterly and annual reports of the Executive Board on the Bank's business activities including quarterly reports on the risk management, and presents to the Shareholders' Assembly the adopted financial report for its final adoption;
- 15) adopts rules of procedure for its own operations and the operations of the committees referred to in Article 12, paragraph 2 of the Articles of Association;
- 16) adopts the Bank's recovery plan;
- 17) notifies the National Bank of Serbia and other competent bodies on established irregularities;
- 18) establishes the internal organization, i.e. the Bank's organizational structure that ensures the segregation of authorizations, duties and responsibilities of employees, members of the Bank's management bodies and other persons holding management position in the Bank so as to prevent conflict of interests and ensure a transparent and documented process of reaching and implementing decisions;
- 19) adopts the Bank's employees' salary policy and other employee benefit policy;
- 20) decides on disposal of the Bank's fixed assets and alienation and encumbrance of the stakes/shares that the Bank has in other legal entities;
- 21) decides on the rights, obligations and responsibilities from the employment relation of the president, the deputy president and members of the Executive Board, as well as heads of organizational parts of the Bank the scope of which includes internal audit and compliance;
- 22) decides on the establishment and termination of employment, transfer and temporary engagement, measures for non-compliance with work discipline, i.e. violation of work duties, salaries and remuneration and performance appraisal of the president, deputy president and the other members of the Executive Board, the heads of organizational

parts of the Bank whose scope includes risk management, internal audit, compliance, prevention of money laundering and internal validation;  
23) conducts other activities in accordance with the Articles of Association and other general enactments of the Bank.

The Board of Directors is responsible for the accuracy of all business reports, reports on the financial standing and business results of the Bank sent to the Bank's shareholder, to the public and the National Bank of Serbia.

Detailed rules related to the work and organization of the Board of Directors' meetings are determined by its rules of procedure.

### **Sessions** **Article 34**

The president shall convene and propose the agenda of the Board of Directors meetings and in his/her absence the deputy president shall do so.

The Board of Directors' meetings may be convened upon request of the Shareholders' Assembly, the president of the Executive Board and the National Bank of Serbia.

The Board of Directors' sessions are held when required, but at least on a quarterly basis.

The Board of Directors' meetings are held in the premises of the head-office or in any other organizational units of the Bank on the territory of the Republic of Serbia at least quarterly.

The Board of Directors' meetings may also be held via means of distance communication (e.g. conference telephone link or another audio and visual communication), hence all persons participating in the meeting can communicate with each other at the same time. It is considered that these meetings have been held in the premises of the Bank's head-office.

Meetings can also be held in writing in accordance with Article 28 of these Articles of Association.

The Board of Directors shall notify the National Bank of Serbia on the date and agenda of the Board of Directors' meeting within the term stipulated for the notification of members of the Board of Directors defined by the rules of procedure of the Board of Directors.

A representative of the National Bank of Serbia may attend the Board of Directors' meeting and may address its members.

The Bank is obliged to provide the National Bank of Serbia with a report on the total number Board of Directors' meetings held specifying the venues they were held in, together with the annual report which it furnishes pursuant to the law.

**Quorum and decision-making**  
**Article 35**

The Board of Directors may operate and make valid decisions if the meeting is attended by majority of all the members.

Decisions shall be made by majority vote of total number of members and open ballot.

At written sessions, the Board of Directors may not decide on issues of critical importance for the Bank's functioning and operations, i.e. make decisions whose complexity requires detailed consideration, giving suggestions and answering questions.

The decision-making procedure at the written sessions of the Board of Directors shall be defined by its rules of procedure.

Provisions of the subject Articles of Association referring to voting of the shareholder in writing and electronically, Shareholders' Assembly meetings held by video conference and written sessions and minutes of the Shareholders' Assembly meetings shall accordingly apply to the Board of Directors.

**THE EXECUTIVE BOARD**

**Composition**  
**Article 36**

The president and the members of the Executive Board are elected by the Board of Directors.

The Executive Board shall be composed of at least 2 members including the president.

The president and members of the Executive Board must meet the requirements set forth by the law.

The Executive Board may have a deputy president of the Executive Board, who is also a member of the Executive Board.

Members of the Executive Board shall be employed by the Bank for indefinite period and on a full-time basis.

**Scope of work**  
**Article 37**

The Executive Board shall organize and supervise daily business operations of the Bank.

The Executive Board shall:

- 1) carry out decisions reached by the Shareholders' Assembly and of the Board of Directors;
- 2) propose to the Board of Directors the Bank's business policy and strategy, as well as the risk management strategy and policy and the strategy of management of the Bank's capital;

- 3) carry out the Bank's business policy and strategy by adoption of the appropriate business decisions;
- 4) carry out the risk management strategy and policies, as well as the strategy of management of the Bank's capital by adopting the procedures for risk management, i.e. identification, measurement and assessment of the risks, as well as ensuring their application and reports to the Board of Directors on these activities;
- 5) analyze the risk management system and at least quarterly report to the Board of Directors on the level of risk exposure and risk management;
- 6) decide on investments and borrowings of the Bank up to the amount that shall be determined by the Board of Directors;
- 7) decide, with the previous approval of the Board of Directors, on every increase of the Bank's exposure to a person related to the Bank and shall inform the Board of Directors of that;
- 8) ensure security and regular monitoring of the Bank's information technology system and treasury operations;
- 9) inform the Board of Directors of any actions that are not in compliance with the regulations and other Bank's by-laws;
- 10) at least once during a business quarter submit to the Board of Directors a report on Bank's business activities, balance sheet and income statement;
- 11) without undue delay inform the Board of Directors and the National Bank of Serbia of any deterioration in financial standing of the Bank or threat of such deterioration, as well as of other facts that may significantly affect the financial standing of the Bank;
- 12) ensure that all employees are informed of the regulations and other Bank's by-laws that govern their working duties;
- 13) adopt its rules of procedure;
- 14) make a decision on the opening and closing of the Bank's regional centers and branches in accordance with the enactment regulating the internal organization of the Bank rendered by the Board of Directors;
- 15) pass the general enactment on job classification in accordance with internal organization;
- 16) adopt Labor Rulebook, i.e. the decision approving signing the Collective Agreement in the Bank, in accordance with labor regulation;
- 17) adopt solution-finding program of manpower redundancy, in accordance with labor regulation;
- 18) with the exception of what is defined in Article 33, paragraph 2, Items 21) and 22) of the Articles of Association, decide on rights, obligations and responsibilities from the employment relationship;
- 19) decide on all issues that are not within the competence of the Shareholders' Assembly and the Board of Directors and other internal bodies of the Bank.

The members of the Executive Board are responsible that the Bank's business operations are in accordance with the law, regulations and enactments of the National Bank of Serbia, as well as with other enactments and procedures stipulated by the Bank's bodies in accordance with the duties and responsibilities of the Executive Board set forth by the Law on Banks, regulations adopted under this Law, Articles of Association and internal regulations of the Bank.

Detailed rules related to the work and organization of the Executive Board's sessions are determined by its rules of procedure.



**Term of office and Resolution**  
**Article 38**

The term of office of the president and members of the Executive Board shall be up to 3 years, as defined by the specific decision on the appointment and the same person may be re-elected to the same Board.

In case of re-election of the existing member of the Executive Board whose term of office expires, the Bank shall submit to the National Bank of Serbia, within the prescribed period, a request for prior approval for the re-election of that member, with a view of maintaining the continuity of his/her term of office. A member of the Executive Board for whom the Bank has submitted a request to the National Bank of Serbia for prior approval for re-election, continues to perform his/her function in the period from the expiration of the current term of office until his /her re-election, i.e. until receiving the decision of the National Bank of Serbia deciding on the submitted request of the Bank. If the National Bank of Serbia passes a decision refusing to give prior consent to the re-election of a member of the Executive Board, the Board of Directors passes a decision on the dismissal of that member from the Executive Board.

Any member of the Executive Board can submit his/her resignation from this function by submitting a statement thereof to the Executive Board, providing that the submitted resignation shall produce legal effect only after the Board of Directors acknowledges it by decision.

In case that by expiration of term of office, resignation or relieving of duty of a member of the Executive Board the number of members of the Board drops under the legal minimum, the term of office of the concerned member shall be automatically extended until the beginning of the term of office of a new member, for the period of 3 months at most. No later than the expiry of this period, the Board of Directors shall by decision relieve of duty, i.e. acknowledge resignation of a member of the Executive Board simultaneously with the appointment of a new member of the Executive Board.

A member of the Executive Board can be relieved of duty by the decision of the Board of Directors.

The Bank shall inform the National Bank of Serbia about relieving of duty or resignation of a member of the Executive Board within 10 days from the day of relieving or resignation, followed by a rationale.

The Bank is obliged to notify the National Bank of Serbia about changed circumstances related to fulfilment of conditions for appointed members of the Executive Board.

**Meetings**  
**Article 39**

The president shall convene and propose the agenda of the meetings of the Executive Board and in his/hers absence the deputy president shall do so.

The meetings of the Executive Board may be also convened at the request of the Board of Directors.

Meetings of the Executive Board shall be held as needed, but at least once a month.

A representative of the National Bank of Serbia may attend the Executive Board's meeting and may address its members.

**Quorum and decision-making**  
**Article 40**

The Executive Board may operate and make valid decisions if the meeting is attended by majority of all the members.

Decisions shall be made by majority vote of the total number of members and open ballot.

Provisions of the present Articles of Association referring to voting of the shareholder in writing and electronically, Shareholders' Assembly meetings held by video conference and writing sessions and minutes of the Shareholders' Assembly meetings shall accordingly apply to the Executive Board.

At written sessions, the Executive Board may not decide on issues of critical importance for the Bank's functioning and operations, i.e. make decisions whose complexity requires detailed consideration, giving suggestions and answering questions.

**Delegation of powers**  
**Article 41**

The Executive Board may transfer operations from its scope of work to other Bank bodies, persons with special powers and responsibilities or other employees, in line with internal regulation which defines delegation of power, with exception of operations prescribed by the law as scope of work of the Executive Board.

The transfer of operations referred to in paragraph 1 hereof shall not relieve the Executive Board of the responsibility for the legality and appropriateness of the decisions made.

**COMMITTEE FOR MONITORING BUSINESS ACTIVITIES OF THE BANK**  
**(AUDIT COMMITTEE)**

**Composition**  
**Article 42**

The Committee for Monitoring Business Activities of the Bank shall be composed of at least 3 members, including the president.

The president and members of the Committee for Monitoring Business Activities of the Bank must meet the requirements set forth by the law.

**Responsibility and scope of work**  
**Article 43**

The Committee for Monitoring Business Activities of the Bank shall assist the Board of Directors in supervising the operation of the Executive Board and Bank's employees.

The Committee for Monitoring Business Activities of the Bank shall:

- 1) analyze annual reports and other financial reports of the Bank that are submitted to the Board of Directors for review and adoption;
- 2) analyze and adopt proposals of the Bank's strategies and policies referring to risk management and internal control systems that are submitted to the Board of Directors for review and adoption;
- 3) analyze and oversee the implementation and adequate execution of adopted strategies and policies for risk management and implementation of the internal controls system;
- 4) at least once a month report to the Board of Directors on its activities and established irregularities, as well as propose the manner in which these irregularities shall be eliminated and/or ways to improve risk management policies and procedures and implementation of the internal controls system;
- 5) review the Bank's investments and activities at the proposal of the Board of Directors or Executive Board or an external auditor of the Bank;
- 6) propose an external auditor to the Board of Directors and Shareholders' Assembly;
- 7) review, with the Bank's external auditor, annual audits of the Bank's financial statements;
- 8) propose to the Board of Directors to include certain issues in connection with external and internal audit in the agenda of the Shareholders' Assembly.

When it estimates that the Bank operates contrary to the law, other regulation, these Articles of Association or another Bank's by-laws or when it can be concluded from the auditor's report, or when other irregularities in the Bank's operation are established, the Committee for Monitoring Business Activities of the Bank shall be obliged to propose to the Board of Directors to eliminate the noted irregularities, as well as to convene an extraordinary Shareholders' Meeting if the established irregularities may have serious consequences on the Bank's operation.

The rules related to the operations of the Committee for Monitoring Business Activities shall be determined in the rules of procedure of that committee.

#### **Meetings** **Article 44**

The president shall convene and propose the agenda of the meetings of the Committee for Monitoring Business Activities of the Bank and in his/her absence the person stipulated by the rules of procedure of this committee.

Meeting of the Committee for Monitoring Business Activities of the Bank may also be convened at the request of the Board of Directors or of the Executive Board.

Meetings of the Committee for Monitoring Business Activities of the Bank shall be held at least once a month, and at least once in 3 months shall be held at the Bank's headquarters.

Meetings of the Committee for Monitoring Business Activities of the Bank may also be held via means of distance communication (e.g. conference telephone link or another audio and visual communication), hence all persons participating in the meeting can communicate with each other at the same time. It is considered that these meetings have been held in the premises of the Bank's head-office.

Meetings can also be held in writing in accordance with Article 28 of this Articles of Association.

A representative of the National Bank of Serbia may attend the Committee for Monitoring Business Activities of the Bank's meeting and may address its members.

Meeting minutes are kept at the meeting of the Committee for Monitoring Business Activities which content and preparation are determined by the rules of procedure of this committee and Article 29 of this Articles of Association, and shall especially contain the number of the persons attending the meeting and signature of the persons defined by the internal act for signing of the minutes.

The meeting minutes of the Committee for Monitoring Business Activities' shall especially contain the following: consideration of proposals for agenda by the members of the committee, as well as committee's proposals for of elimination of established irregularities, i.e. improvement od policies and procedures for risk management and implementation of the internal controls system.

**Term of office**  
**Article 45**

The term of office of the president and members of the Committee for Monitoring Business Activities of the Bank shall be up to 3 years, as defined by the specific decision on the appointment, and the same person may be re-elected to the same Committee.

**Analogous implementation**  
**Article 46**

Provisions of the present Articles of Association referring to quorum and decision-making of the Executive Board, as well as provisions referring to voting of the shareholder in writing and electronically, Shareholders' Assembly meetings held by video conference and writing sessions and minutes of the Shareholders' Assembly meetings shall accordingly apply to the Committee for Monitoring Business Activities of the Bank.

**THE CREDIT COMMITTEE**

**Composition**  
**Article 47**

The Credit Committee of the Bank shall be composed of at least 3 members with voting rights, including the president.

The members of the Credit Committee of the Bank are persons holding the specific functions defined by the Board of Directors in the act regulating the internal organization of the Bank.

**Scope of work**  
**Article 48**

The Credit Committee shall decide on loan applications and other placements within the framework defined by the Bank's by-laws and shall carry out other tasks as set forth by the Bank's by-laws.

Detailed rules related to the work and organization of the Credit Committee's sessions are determined by its rules of procedure.

**Meetings**  
**Article 49**

Chairman of the Credit Committee, in accordance with the rules of procedure of this committee, shall convene meetings and propose the agenda.

The meeting of the Credit Committee may also be convened at the request of the Board of Directors, the Executive Board or the Committee for Monitoring Business Activities of the Bank.

Meetings of the Credit Committee shall be held as needed.

A representative of the National Bank of Serbia may attend the Credit Committee's meeting and may address its members.

**Term of office**  
**Article 50**

The function of the president and members of the Credit Committee is permanent and shall be terminated only due to termination of performing the specific function which was defined by the Board of Directors in order to be a member of the Credit Committee.

**Quorum and decision-making**  
**Article 51**

The Credit Committee has a quorum and may validly work if a qualified majority of members, defined by the rules of procedure of this committee, is present.

The decisions are taken by a qualified majority of all members.

Provisions of the present Articles of Association referring to voting of the shareholder in writing and electronically, Shareholders' Assembly meetings held by video conference and writing sessions and minutes of the Shareholders' Assembly meetings shall accordingly apply to the Credit Committee.

## **ASSET AND LIABILITIES MANAGEMENT COMMITTEE (ALCO)**

### **Composition Article 52**

The Assets and Liabilities Management Committee shall be composed of at least 3 members with voting rights, including the president.

The members of the Assets and Liabilities Management Committee of the Bank are persons holding the specific functions defined by the Board of Directors in the act regulating the internal organization of the Bank.

### **Scope of work Article 53**

The Assets and Liabilities Management Committee monitors the Bank exposure to risks arising from the structure of its balance-sheet liabilities and claims and off-balance sheet items, proposes measures for the interest rate risk management and liquidity risk management, in such a way that it makes concrete conclusions and/or decisions at meetings, i.e. unambiguous guidelines for organizational parts of the Bank and their employees who should ensure adequate management of the stated risks, and performs other task defined by the Bank's by-laws.

The above stated activities of the Assets and Liabilities Committee, as well as other activities established by the Bank's enactments, under the competence of this committee, shall be defined in more detail by the Bank's internal enactments and presented transparently in minutes from sessions of the committee.

The rules related to the operations of the Assets and Liabilities Management Committee shall be determined in the rules of procedure of that committee.

### **Implementation of provisions referring to the Executive Board and Shareholders' Assembly Article 54**

Provisions of the present Articles of Association referring to quorum and decision-making of the Executive Board, as well as provisions referring to voting of the shareholder in writing and electronically, Shareholders' Assembly meetings held by video conference and writing sessions and minutes of the Shareholders' Assembly meetings shall accordingly apply to the Assets and Liabilities Management Committee.

<b>IV SYSTEM OF INTERNAL CONTROLS, SUPERVISION OF COMPLIANCE OF THE BANK OPERATION AND INTERNAL AUDIT</b>
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### **System of Internal Controls Article 55**

The Executive Board shall be responsible for the implementation and effective functioning of the system of internal controls of the Bank.

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The Committee for Monitoring Business Activities of the Bank and the Bank's internal audit shall perform supervision of the regularity of the Bank operation and efficiency of functioning of the system of internal controls.

The Bank shall establish and implement effective internal control system in such a way as to ensure continuous monitoring of risks that the Bank is or may be exposed to in performing its business operations, which particularly include:

- 1) risk management function;
- 2) compliance function;
- 3) internal audit function.

**Supervision of the compliance of the Bank's operation**  
**Article 56**

There is an organizational unit within the Bank held competent for the compliance of the Bank operation.

The head of the organizational unit referred to in paragraph 1 hereof shall be appointed and released by the Board of Directors.

The head of the organizational unit referred to in paragraph 1 hereof shall be responsible for identification and monitoring of risk arising from compliance of the Bank's operation and for management of that risk, which in particular includes the risk from sanctions of regulatory body and financial losses, as well as reputation risk. The risk of compliance of the Bank's operation occurs as a consequence of non-compliance of the Bank's operation with the law and other regulations, operating standards, as well as with other regulations that govern the Bank operation.

The head of the organizational unit referred to in paragraph 1 hereof and employees in the concerned organizational unit shall be independent in their work and shall solely perform tasks specified in paragraph 3 hereof.

Employees in the Bank shall be obliged to make the documentation they have available for inspection by the employees in the organizational unit referred to in paragraph 1 hereof and to provide them necessary information.

**Scope of work of the organizational unit for the supervision of Bank's operation compliance**  
**Article 57**

Organizational unit in charge of the compliance of the Bank's operation shall, at least once a year identify and assess the main risks of compliance and propose plans for the management of these risks, and shall make a report to this effect and submit it to the Executive Board and the Committee for Monitoring Business Activities of the Bank.

The report referred to in paragraph 1 hereof shall be adopted by the Executive Board.

The head of the organizational unit referred to in paragraph 1 hereof shall without undue delay notify the Executive Board and the Committee for Monitoring Business Activities of the Bank of any noted instances of non-compliance in the Bank's operation.

The organizational unit referred to in paragraph 1 hereof shall make the Bank's compliance monitoring program, which shall in particular include the methodology of work of that organizational unit, planned activities, manner and deadlines for the preparation of reports, methods for compliance verification, as well as a plan of staff training.

**Internal audit function**  
**Article 58**

The Bank has an organizational unit the competence of which includes internal audit (hereinafter referred to as: Internal Audit).

The main tasks of the Internal Audit is to provide the Board of Directors with independent and objective opinion on issues that are subject to audit, to engage in advisory activity aimed at upgrading the existing system of internal controls and the Bank's operation and to assist the Board of Directors in the achievement of its objectives, through application of a systematic, disciplined and documented approach to the evaluation and advancement of the existing manner of risk management, control and management of processes.

The Bank shall perform internal audit function in compliance with the regulations that govern the main principles of the organization and operation of internal audit of banks.

The Bank shall have at least one employee in Internal Audit, who shall have the qualifications determined by law governing audit and by other regulations in that area.

The head of the Internal Audit shall be appointed and released by the Board of Directors.

The head of Internal Audit shall make a program of internal audit and determine methodology of its work, and particularly make instruction for the operation of the Internal Audit, manner and deadlines for the preparation and submission of internal audit reports to the competent Bank bodies, method for monitoring proposed activities for elimination of irregularities and deficiencies detected in Bank's operation, as well as the manner and responsibility for the preparation, usage and keeping of documentation on performed internal audit activities in accordance with annual plans. The head of Internal Audit shall inform the Board of Directors of the results of conducted audits.

The head of Internal Audit shall have the right to address the Board of Directors directly whenever necessary.

The head of Internal Audit shall be authorized to propose the convening of the Committee for Monitoring Business Activities of the Bank meeting, of which s/he shall notify the Board of Directors, and if the meeting of Committee is not held, s/he shall inform the Shareholders' Assembly at the first next meeting.

The employees in Internal audit may not perform any managing or other activities within the competence of the Bank, except for the activities related to performing internal audit, nor may they participate in the preparation and composing of enactments and other documentation which may be subject to internal audit.

The head of Internal Audit shall be responsible for efficient, continuous, regular and quality performance of internal audit function and for efficient implementation of the programs and operational annual plans of the internal audit.

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The Internal Audit shall:

- 1) evaluate adequacy and reliability of the system of internal controls of the Bank and supervision of the compliance of Bank's operation;
- 2) ensure that risks are adequately identified and supervised;
- 3) determine deficiencies in the Bank's operation and work of its employees, as well as instances of non-performance of obligations and excess of authorities and shall prepare proposals for the elimination of these deficiencies and proposals for their prevention;
- 4) hold meetings with the Board of Directors and with the Committee for Monitoring Business Activities of the Bank;
- 5) regularly prepare reports on activities of the Internal Audit and shall submit them to the Board of Directors and to the Committee for Monitoring Business Activities of the Bank.

**Powers of the Internal Audit**  
**Article 59**

Employees in Internal Audit shall have the right to examine any documents of the Bank and its subsidiaries, as well as members of the same banking group, shall supervise the Bank's operation without restriction, and may participate in the meetings of the Board of Directors and its committees.

Upon the request of employees in Internal Audit, employees in the Bank shall be obliged to submit written explanations concerning deficiencies and errors in their work as well as to eliminate them.

The Internal Audit shall submit reports of its activities to the Board of Directors and to the Committee for Monitoring Business Activities of the Bank.

<b>V    RIGHTS, DUTIES AND RESPONSIBILITIES OF MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE BOARD AND OTHER PERSONS WITH SPECIAL POWERS AND RESPONSIBILITIES</b>
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**Members of the Board of Directors and of the Executive Board**  
**Article 60**

Members of the Board of Directors and of the Executive Board shall have rights, duties and responsibilities defined by the law which regulates banks, other regulations, these Articles of Association and other Bank's by-laws.

**Persons with special powers and responsibilities**  
**Article 61**

Persons with special powers and responsibilities are persons who are designated as such by the Board of Director's decision regulating the internal organization of the Bank and the act which regulates the powers and responsibilities of persons with special powers and responsibilities in detail.

Persons with special powers and responsibilities are entitled, in compliance with the Law and internal enactments of the Bank, to sign for and represent the Bank in certain legal

operations and activities, which are defined in the Internal Delegation of Powers and other enactments of the Bank, and in external operations that the Bank conducts with official institutions, third parties, clients of the Bank and other banks. In case Executive Board's decision defines possibility of further sub – delegation or when it is not expressly excluded by regulations and internal enactments of the Bank, persons with special powers and responsibilities are entitled to transfer their powers to other employees of the Bank.

Persons with special powers and responsibilities and other employees of the Bank referred to in previous paragraph, to whom powers have been transferred to, are obliged to act in pursuance with the best interest of the Bank when performing their rights from paragraph 2 hereof and to comply with the powers given to them.

Persons with special powers and responsibilities are responsible for the legality and appropriateness of the acts and activities taken in performing the rights from paragraph 2 hereof.

Persons with special powers and responsibilities shall have also other rights, duties and responsibilities defined by the law which regulates banks, other regulations and other Bank's by-laws.

## **VI SIGNING AND REPRESENTING AUTHORIZATION**

### **Article 62**

The president of the Executive Board shall represent the Bank and act on its behalf.

When executing legal transactions, and conducting legal affairs, belonging to the competence of the Executive Board, the president of the Executive Board shall ensure a joint signature of one member of that Board.

The Executive Board may authorize persons with special powers and responsibilities, and other employees of the Bank to sign and represent the Bank in certain legal affairs and actions within the scope of Bank's operations, except when it is expressly excluded by regulations and internal enactments of the Bank.

Directors of regional centers and branch managers shall be authorized to sign for and represent these organizational units within their scope of work, in accordance with delegated powers.

## **VII MEASURES AND RESPONSIBILITIES OF THE BANK BODIES FOR THE MAINTENANCE OF THE BANK'S LIQUIDITY AND SOLVENCY**

### **Liquidity and solvency**

#### **Article 63**

The Bank shall manage its assets and liabilities in a way that enables it to meet its due obligations at any time (liquidity) and to fulfill all its obligations on a permanent basis (solvency).

The Executive Board shall be responsible for the maintenance of the Bank's liquidity and solvency.

**Measures, procedures and responsibilities of the Bank's bodies**  
**Article 64**

In case of lack of liquidity and insolvency of the Bank, the Executive Board shall be obliged to undertake the necessary measures to eliminate the causes of lack of liquidity and/or insolvency and to restore liquidity and/or solvency of the Bank, such as:

- 1) adjustment of inflow and outflow of funds,
- 2) use of liquidity loans from the National Bank of Serbia and from other banks;
- 3) sale of short-term securities and discontinuation of the discount of securities;
- 4) early collection of certain Bank's receivables;
- 5) postponement of the disbursement of approved loans;
- 6) temporary suspension of the creation of new liabilities of the Bank;
- 7) other measures in accordance with the law and Bank's by-laws.

The Assets and Liabilities Management Committee shall be obliged to propose to the Executive Board measures for the elimination of the causes of lack of liquidity and/or insolvency and for the restoration of liquidity and/or solvency of the Bank within the shortest time possible following the identification of the Bank's lack of liquidity and/or insolvency.

The Executive Board will in the shortest time possible submit to the Board of Directors a detailed report on the reasons for lack of liquidity and/or insolvency of the Bank, measures undertaken and that will be undertaken for the elimination of such situation, expected time schedule for the re-establishment of liquidity and/or solvency of the Bank and measures that have to be undertaken in order to prevent re-occurrence of liquidity problems and/or insolvency.

The Board of Directors shall convene an extraordinary Shareholders' Assembly in the shortest time possible following the detection of lack of liquidity and/or insolvency of the Bank. Report of the Executive Board referred to in paragraph 3 hereof shall be enclosed with an invitation to Extraordinary Shareholders' Assembly to all shareholders with voting rights.

The Board of Directors may order the Executive Board to undertake certain measures for the elimination of the causes of lack of liquidity and/or insolvency and for the restoration of the Bank's liquidity and/or solvency.

The Board of Directors shall make a decision concerning the responsibility of the Executive Board for the Bank's lack of liquidity and/or insolvency.

At the meeting referred to in paragraph 4 hereof the Shareholders' Assembly shall review the causes of the Bank's lack of liquidity and/or insolvency, measures undertaken by the Bank's bodies in this regard and shall determine the responsibility of the Bank bodies for the occurrence of liquidity problems and/or insolvency of the Bank.

The Shareholders' Assembly may order the Bank's bodies to undertake certain measures for the elimination of the causes of lack of liquidity and/or insolvency and for the restoration of the Bank's liquidity and/or solvency.

## **VIII RISK MANAGEMENT**

### **Article 65**

There is a separate organizational unit in the Bank in charge of risk management.

Risk management shall be adjusted to the size and organizational structure of the Bank, volume of its activity and types of operations the Bank engages in.

In its by-laws, the Bank shall ensure functional and organizational segregation of the risk management activities from the regular Bank's business activities.

In its by-laws, the Bank shall set forth the risk management strategy and policies, capital management strategy, procedures for identification, measurement and assessment of risks, as well as for risk management in accordance with the regulations, standards and professional practices.

By-laws referred to in paragraph 4 shall contain:

- 1) provisions that ensure functional and organizational segregation of risk management activity from the regular business activities of the Bank;
- 2) procedures for risk identification, measurement and assessment;
- 3) procedures for risk management;
- 4) procedures that ensure supervision and consistent implementation of all internal procedures of the Bank regarding risk management;
- 5) procedures for regular reporting to Bank's bodies and to the National Bank of Serbia concerning risk management.

## **IX BUSINESS SECRET**

### **Documents and data representing business secret**

#### **Article 66**

Documents and data available to the Bank, if not publically accessible, shall be considered business secret if their disclosure or making them available to unauthorized persons caused or could cause adverse effects for the interest and reputation of the Bank, its shareholder and clients, as well the documents and data designated as business secret by the Executive Board.

### **Duty to keep the business secret**

#### **Article 67**

Duty to keep the business secret exists in relation to the members of the Bank's bodies, shareholder and employees in the Bank, external auditor of the Bank and other persons

who by virtue of their job have access to documents and data that represent business secret.

The duty of keeping the business secret for persons referred to in paragraph 1 hereof shall not cease even after the termination of the status on the basis of which they had access to documents and data referred in that paragraph.

**Manner of dealing with business secret**  
**Article 68**

Persons referred to in Article 67, paragraph 1 hereof shall handle documents and data that represent business secret in such a way as to prevent that they come into possession of unauthorized persons.

The method of dealing with documents and data that represent business secret shall be regulated by internal acts of the Bank.

<b>X FINAL PROVISIONS</b>
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**Article 69**

The revised Articles of Association of Banca Intesa joint-stock company Belgrade, which contains, with amendments and changes, Articles of Association dated 10.07.1995, 25.05.2000, 04.12.2002, 21.07.2003, 13.05.2004, 29.09.2006, 14.06.2011, 11.06.2012, 18.06.2015, 24.03.2017, 12.03.2018. and 08.03.2024. shall come into effect and be applicable upon its adoption by the Bank's Shareholders' Assembly, upon the receipt of the approval of the National Bank of Serbia and 8 days after being published on the web site of the Business Registers Agency.

The former Articles of Association shall become null and void as of the date the present Articles of Association come into effect.

President of the Shareholders' Assembly



Eduardo Bombieri

A handwritten signature in blue ink, located in the bottom right corner of the page.