

QUESTIONNAIRE
ABOUT THE PRACTICE OF CORPORATE MANAGEMENT OF ISSUERS

Company business name:	<u>Komercijalna banka AD Beograd</u>
Company registered office:	<u>Beograd, Svetog Save 14</u>
Company registration number:	<u>07737068</u>
Company TIN	<u>100001931</u>

Instructions for filling out the questionnaire:

- Apart from the answer YES/NO to the question raised, it is necessary to describe in a greater detail the circumstances based on which certain answers were given.
- If the source of information for an answer to a question is the company's act that is publicly accessible, it is necessary to name the place where insight into such act can be made (for example, Internet site on which the act was made public), and if in question is an act that has not been publicly disclosed it is necessary to quote the exact title of the act, number of the act, and the company's body that has rendered the same.
- If the source of information for the given answer is the company's usual practice, it is necessary to illustrate the same by mentioning the concrete example based on which the subject answer was formulated.

1. Has the company adopted its own code of corporate management or accepted the application of another code of corporate management?

Answer:	The Bank has accepted the application of the Code of Corporate Management of the Serbian Chamber of Commerce ("Official Gazette of the Republic of Serbia", No. 99/2012).
Internet site where the text of the Code applied by the Company is publicly accessible:	www.pks.rs www.kombank.com

2. Are the principles of corporate management applied by the Company included in the Company's internal acts and easily accessible to all interested stakeholders?

Answer:	YES
The most important acts dealing with corporate management and the manner that enabled their accessibility.	<ul style="list-style-type: none"> • The Articles of Association of the Bank (consolidated text), number 11/IO of 14.01.2020, published on the site of the Business Registers Agency; • Rules of Procedure of the Meeting passed on 25.04.2012, ref. no. 6390/3; • Rules of Procedure of the Board of Directors passed on 17.01.2020, ref. no. 420/1; • Rules of Procedure of the Executive Board passed on 5.11.2019, ref. no. 746/IO; • Rules of Procedure of the Audit Committee passed on 21.12.2018, ref. no. 26050/18; • Rules of Procedure of the Credit Board passed on 04.02.2020. ref. no. 990/10; • Rules of Procedure of the Assets and Liabilities Committee passed on 26.03.2020, ref. no. 3820/19-1; • Other general acts are accessible to the shareholders at the Bank's head office, in accordance with the Company Law.

4. Does the Company publish in its annual reports, in conformity with Article 368 of the Company Law, the compliance of operation with the principles of corporate management, and present an explanation of possible departures from such principles?

Answer:

YES, Annual Report of the public company (Law on Capital Market).

THE MEETING AND SHAREHOLDERS

5. Does the invitation to a session of the Company's Meeting include all the prescribed elements and notifications including the information about the Shareholders Day with the data about the shareholders' rights to participate in the work of the Meeting and the draft agenda, the deadlines for the use thereof, as well as a description of the voting via a proxy, voting in absence or by electronic means?

Answer:

The invitation includes all prescribed elements except the voting by electronic means since this type of voting is not envisaged by the Articles of Association of the Bank.

6. Is the invitation to a session of the Company's Meeting, with all relevant explanations and notifications, promptly submitted upon its announcement to the shareholders, to the Stock Exchange in order to be made public on the regulated market, and/or MTP Belex?

Answer:

YES

Please state how much time upon sending the invitation to the company's shareholders the invitation is submitted to the Stock Exchange for announcement in 2019.

YES, on the same date.

7. Are the materials for the Company's Meeting available by the internet site of the Company?

Answer:

NO

Please explain the manner in which the materials for the Company's Meeting are accessible to the shareholders if they are not available on the Internet site of the Company

A shareholder or a proxy of a shareholder of the Bank may take over at the Bank head-office, in person or on the grounds of written powers, the materials relating to all items on the draft agenda for the session of the Meeting, on each workday from 08:00 a.m. to 04:00 p.m.

8. Has the Company established any of the legal possibilities of electronic participation in the work of the Company's Meeting and if YES, in what way?

Answer:

NO

9. Does the Company publish the decisions made and the minutes from the held session of the Company Meeting without delay or within the terms prescribed after the Meeting was held?

Answer:

YES

Please state the manner in which the Company enabled the keeping of its shareholders and general public informed in 2019 about concrete questions.

By posting on the Bank's internet site, www.kombank.com

10. Which materials, decisions and other relevant documents relating to the Company's Meeting are published, or not, in English?

Answer:

The Voting Result Report, Minutes from the sessions, as well as all Decisions passed by the Meeting are drawn up in English.

11. Has the Company adopted the Rules of Procedure of the Meeting, and does this or any other act of the Company contain the rules and procedures that ensure for the shareholders get a timely answer to all relevant questions in the frameworks of the Company Meeting?

Answer:

YES

Please state if the Company has provided, and in what way, for all shareholders to be informed on a continued basis about all rules and procedures.

By the posting on the Bank's Internet site, www.kombank.com

12. Does the Company have a clearly defined dividend policy and the terms for their payment?	
Answer:	YES, by the Dividend Policy of Komercijalna banka AD Beograd.
13. Did the Company issue shares last year with a limitation of the shareholders' rights of first refusal of the new issues of the Company shares?	
Answer:	NO
14. Has the Company established the mechanism for prevention and settlement of potential conflicts between the shareholders and the Company?	
Answer:	YES
Please state the manner in which the shareholders get informed about these procedures	The Code of Corporate Management ("Official Gazette of the Republic of Serbia" number 99/2012), published on the Internet site of the Serbian Chamber of Commerce www.pks.rs , and/or, a link was announced on the Bank's internet site www.kombank.com in the section of the Table of Contents "About Us" – Corporate management.
15. When the election of members of the Company boards and committees is concerned, is comprehensive information about the proposed candidates available to the Meeting, and particularly the information about the existence and nature of the relationship with the Company, related entities of the Company, companies of competing activities, and the principal partners of the Company?	
Answer:	All necessary data about the candidates are submitted to the National Bank of Serbia for getting prior consent, in accordance with the Law on Banks and the NBS regulations. The Decision of the Meeting does not produce any legal effect without prior consent of the National Bank of Serbia.
16. Are the shareholders vested with the right to participate without limitation in the work and decision-making of the Meeting of shareholders?	
Reply:	NO, application of the Law on Banks.
Please state the manner conditioning participation of the shareholders at the Company meeting (for example: by the number of shares they hold)	The shareholders holding at least 1% of shares with the voting right exercise directly (in person or via a proxy) the voting right at the session of the Meeting. A shareholder holding less than 1% of shares with the voting right may participate at a session of the Meeting jointly with another shareholder via a joint proxy, on condition to have that threshold.
COMPANY BOARD AND EXECUTIVE DIRECTORS	
17. Which management system is established in the Company?	
Unicameral – Board of Directors (provide the data about the Board's composition, specifying: executive, non-executive and independent directors, and the data about the chairperson of the Board)	
Bicameral – please state the members of the Supervisory Board specifying who independent member is, and the data about the president of the Supervisory Board)	Members of the Board of Directors are: <ol style="list-style-type: none"> 1. Marija Sokić, chairperson of the Board of Directors; 2. dr Daniel Pantić, member of the Board of Directors; 3. Dejan Hadžić, member of the Board of Directors; 4. Katarina Šušić, independent member; 5. Goran Knežević, independent member; 6. Prof. dr Zoran Jović, independent member.
18. Do the Company's acts determine more precisely the competence of the Board of Directors, and/or Supervisory Board of the Company?	

Answer:	YES, if the concept "supervisory board" is meant to be the Board of Directors.
19. Do the Company acts set the criteria that define the required expert and professional knowledge and experience and other conditions for appointment of a person as member of the Company's board or committee?	
Answer:	NO, they are determined by the Law on Banks and the by-laws of the National Bank of Serbia.
20. Does the Company's board analyze and assess at least once a year the quality and efficiency of its work, and propose measures and activities for its improvement, and inform the shareholders about such measures?	
Answer:	NO, taking into account that the Law on Banks defines the competences of the Board of Directors, including the types and mode of keeping the shareholders informed.
21. Are independent directors, and/or independent members of the Supervisory Board obligated, and in what way, to inform the Company and shareholders about all changes that can have impact on their status in terms of independence?	
Answer:	YES, In accordance with Article 78 of the Law on Banks.
22. Has the Company Meeting adopted a transparent and publicly accessible policy of remuneration of the members of the Company's boards, and does the level of remuneration of the members of the Company boards depend on their contribution to the accomplishment of financial and non-financial results and business goals of the Company?	
Answer:	The remuneration policy is passed by the Board of Directors in conformity with the Law on Banks. The level of remuneration for members of the Board of Directors is rendered by the Meeting in accordance with the Law on Banks. The level of remuneration of the members of the Executive Board depends on their contribution.
23. Has the Company board, apart from the Audit Commission obligatory by law, also set up other commissions and/or other expert advisory bodies?	
Answer:	YES
List the names of the commissions and/or bodies if set up, with the number and a description of the activities entrusted to them, and the Company acts by which such bodies have been set up and their competence established.	Apart from the Audit Committee, the Bank has set up: The Assets and Liabilities Management Committee, Credit Board, and Compensation Committee.
24. Are the remunerations paid to the members of the commissions/boards of the Company encompassed by the policy of remuneration of the members of the Company boards, and/or set within the framework defined by the Company Meeting?	
Answer:	YES, they are determined by the Bank Meeting's Decision that determines the remunerations to the members of the Board of Directors.
25. Do the Company acts define clearly the authorizations and responsibilities of executive directors?	
Answer:	YES, if the concept "executive director" is meant to be the Executive Board of the Bank.
List the Company acts governing these issues. In companies with unicameral management system, please state the mode of, and the acts demarcating the activities and responsibilities between executive and non-executive directors. In the system of	The Articles of Association of the Bank.

bicameral management, please answer if an executive board has been set up.	
26. Do the Company acts set the criteria that define the necessary expert and professional knowledge and experience and other conditions for appointing a person for the post of executive director?	
Answer:	NO, the criteria for appointment of certain members of the Bank bodies are set by the Law on Banks and by-laws of the National Bank of Serbia (NBS), if the concept "executive directors" is deemed to mean the Executive Board of the Bank.
27. Has a process been established and conducted of evaluating the work of executive directors by non-executive directors in the Board of Directors, and/or Supervisory Board in the companies with bicameral management system?	
Answer:	YES, if the concept "executive directors" is deemed to mean the Executive Board of the Bank.
28. Are the remunerations to the members of the Executive Board composed of a fixed and a variable part (bonuses, stimulations, etc.) depending on the contribution to the accomplishment of financial and non-financial results and business goals of the Company?	
Answer:	YES
29. Does the Company has efficient mechanisms established to ensure a true, timely, comprehensive and non-discriminated information of the members of the board members by executive directors, and/or in which way is regulated the procedure of reporting of non-executive directors and/or members of the supervisory board about all matters influencing the operation, financial position and potential risks on the state of the Company's property?	
Answer:	The mode of reporting the Bank's bodies is defined by the Law on Banks and the NBS regulations. Apart from the obligatory regulatory reporting of the Bank's bodies and management, the Bank has also regulated the system of internal reporting and the schedule of such reporting.
30. Do Executive Directors inform the Company Board about the matters referred to in Article 416 of the Company Law, particularly in the sense of providing a good quality opinion and analysis of the significant issues in the Company operation in the reporting period, including possible important risks, and their analysis, in the Company's operation and its future long-term and short-term perspectives?	
Answer:	YES, if the concept "executive directors" is deemed to mean the Executive Board of the Bank, and the concept "Company board" the Board of Directors of the Bank. The mode of reporting is regulated by the Law on Banks, the NBS regulations and internal acts and/or Articles of Association of the Bank. Article 416 of the Company Law does not apply to banks.
List the issues reported about to the Company board	According to the Bank's Articles of Association, the Executive Board of the Bank carries out, <i>inter alia</i> : <ul style="list-style-type: none"> • proposes the business policy and strategy of the Bank to the Board of Directors, as well as the strategy and policy for risk management and strategy for management of the Bank's capital; • implements the strategy and policies for risk management and strategy for the Bank's capital management by adopting the procedures for risk management, and/or for identification, measurement and assessment of risks and by providing for their application, and informs the Board of Directors about such activities; • analyzes the system of risk management and informs at least quarterly the Board of Directors of the Bank about the level of exposure to the risks and risk management.
31. Is the function of the Company secretary organized in the Company and if yes, please describe in more details the duties and responsibilities entrusted to him/her?	

Answer:	The Bank has a corporate secretary appointed by the competent body whose scope of activities includes to manage, coordinate and direct the work in the Secretariat, provide a normative-legal support to the Bank's bodies, cooperate with competent organizational forms in the Bank, members of the bodies, committees and working bodies of the Bank, competent state services and other organizations intended to perform the activities falling under the competence of the Secretariat.
SUPERVISION AND CONTROL	
32. Is Audit Committee organized in the Company?	
Answer	The Law on Bank defines clearly the Audit Committee as a body of the Board of Directors, with clearly defined composition and responsibilities.
Please provide the composition of the Audit Committee and if the president of the Committee is an independent director / member of the Supervisory Board, and if at least one member of the Committee is a certified auditor appointed by the Meeting of the Company?	<p>Members of the Audit Committee:</p> <ol style="list-style-type: none"> 1. Dr Daniel Pantić, president of the Committee; 2. Aleksandra Dragović Delić, member; 3. Dejan Hadžić, member.
33. Have the bodies been set up, and/or persons appointed that carry out internal control activities?	
Answer	YES, Internal Audit Division, Compliance Division, and Risk Management Division.
State the Company act regulating these issues, and the conditions for the person managing these activities, and the data about the person who manages these activities and the person fulfilling the requirements prescribed for an internal auditor in conformity with law	<p>Head of the Compliance Division: Snežana Ristović The conditions prescribed by the Act on Organization and Job Systematization in Komercijalna banka AD Beograd: adequate qualification, knowledge and experience, as well as professional and personal qualities, knowledge and continuous follow-up of the amendments in the laws, by-laws and internal acts in the Bank, knowledge of the rules of the profession, good business customs and business ethics of the Bank, and knowledge of and ability to assess their mutual compliance and their impact on the Bank's operation.</p> <p>Head of the Internal Audit Division: Gordana Bradić The conditions prescribed by the Law on Bank and Act on Organization and Job Systematization in Komercijalna banka AD Beograd: adequate qualification in accordance with law, knowledge and experience, as well as professional and personal qualities, knowledge and continuous follow-up of the amendments in the laws, by-laws and internal acts in the Bank, knowledge and follow-up of the application of accounting polices and financial reporting, checking enforcement of the risk management policies, knowledge and valuation of the policies and processes in the Bank intended for their further improvement.</p> <p>Gordana Bradić is a certified internal auditor (Chamber of Certified Auditors of the Republic if Serbia), and Certified Internal auditor (Global Institute of Internal Auditors).</p> <p>Head of Risk Management Division: Mijo Šarić Executive Director for risk management: Miodrag Kvrgić The conditions prescribed by internal acts about the Organization and Job Systematization in Komercijalna banka AD Beograd: adequate qualification, knowledge and experience, as well as professional and personal qualities, management abilities and skills, organization and ensuring adequacy and improvement of the risk management system, organization of the activities of identification, measurement, mitigation, monitoring, control and reporting in the segment of risk management falling under the risk management competence.</p>

34. Do the Company acts regulate in greater details the issues referred to in Article 452 of the Company Law?	
Answer	YES
Please explain in which way are regulated mutual rights and obligations of the persons in charge of internal supervision and the audit committee / Company board, particularly in the segment of reporting	By the acts at the Bank level, as well as by the acts regulating individually the operation of the bodies performing internal supervision.
35. Are at the Company level defined the mechanisms and rules for carrying out supervision and control and indicators of the activities that need to draw attention to internal supervision to the need for carrying out a preventive supervision and control?	
Answer	YES, by internal acts.
36. Does the system of internal supervision also include the activities relating to insider information?	
Answer	YES, by internal acts.
37. Does the Company's external auditor inform the Audit Committee about the issues referred to in Article 453 of the Company Law?	
Answer	<p>YES, in accordance with the Law on Banks, Articles 52, 53 and 54, the National Bank of Serbia sets and publishes the list of auditors who can perform audit based on the criteria it prescribes as the prerequisites for carrying out the external audit of banks.</p> <p>The prerequisites for performing audit for the Bank are:</p> <ul style="list-style-type: none"> external auditor may perform with the Bank maximum five consecutive audits of regular annual financial reports, external auditor may not perform in the same year both the audit of the bank's financial reports and provide consultancy services to it, nor can perform audit for the business year in which the external auditor was providing such services to the bank, the person performing the audit must be independent from the Bank (criteria listed in Article 54, paragraph 2).
Please explain the manner in which the communication of the external auditor and the Company's audit committee is regulated	<p>In accordance with the Rules of Procedure of the Audit Committee of 21.12.2018, the Audit Committee:</p> <ul style="list-style-type: none"> discusses with the Bank's external auditor the annual audits of the Bank's financial reports - Article 2, paragraph 2, item 7 of the Rules of Procedure.
38. Does the external auditor also draw-up a separate internal document to the Company's board (management letter) that includes the significant weaknesses identified during the control procedure, accounting and operating activities of the Company, with the suggestions for their improvement?	
Answer	YES, upon completion of audit, the external auditor draws up the document "Management Letter" with the contents of which gets acquainted the Bank's board at the time of adoption of the financial reports.
39. Does the external auditor attend the sessions of the Meeting where the report of performed audit of the Company's financial statements is discussed?	
Answer	YES, the external auditor attends the session of the Meeting, the meetings of the Board of Directors and the Audit Committee of the Bank where financial reports for the preceding business year are discussed, in conformity with the Law on Banks.
TRANSPARENCY AND OPENNESS TO PUBLIC	
40. Does the Company have a clearly defined and publicly accessible reporting policy that defines the principles, rules and procedures for keeping informed the shareholders, competent	

authorities, public and all interested stakeholders?	
Answer	YES
41. Does the Company publish the business reports with the report of the external auditor in accordance with the law, by-laws and rules of the Stock Exchange?	
odgovor	YES, Annual Report of the Public Company, Quarterly report of the Public Company (Law on Capital Market).
42. Does the Business Report of the Company include all elements prescribed by law, and particularly the elements laid down by Article 289 of the Company Law and Article 50 of the Law on Capital Market?	
The answer needs to encompass all elements from the mentioned Articles	YES, the Annual Report of the Public Company contains all elements stipulated by Article 289 of the Law on Companies and Article 50 of the Law on Capital Market.
43. Apart from the information prescribed by the Law on Capital Market, does the Company establish and disclose in public immediately other data that may have impact on the price of the Company shares and the position of the shareholders?	
Answer	YES
Please provide the data disclosed in accordance with the Law on Capital Market (for example, changes in the significant share in capital; acquisition / alienation of own shares, etc.), and other data impacting the price (for example, business news, shareholders agreements, court proceedings for refuting the decisions of the Company Meeting, etc.)	In 2019 and in 2020, until the date of making public this Questionnaire, data were published in accordance with the Law on Capital Market that might impact, or have impacted on the price of shares, namely: <ol style="list-style-type: none"> 1. Business information – Public invitation was made for gathering statements of interest to participate in the share sale procedure – on 14.06.2019; 2. Notification of the issuer about a significant participation, a fall below the prescribed threshold (for two shareholders: IFC and EBRD) – on 28.11.2019; 3. Notification of the issuer about a significant share, stepping over the prescribed threshold of the majority shareholder the Republic of Serbia – on 28.11.2019; 4. Business news – Minister of finance of the Republic of Serbia and representatives of Nova Ljubljanska banka d.d. signed the Agreement for Purchase/Sale – on 28.02.2020.
44. Are publicly available the updated data about the Company insiders with the data about the number of shares/percent of Company shares in their ownership?	
Answer	YES
Please inform which data are available and where they are publicly available	Data about the ownership structure of the Bank are publicly available on the Internet site of the Central Securities Depository and Clearing House, while the biggest shareholders are informed in writing of the obligation to keep insider information.
45. Does the Company disclose publicly the biographic data of the members of the Company boards, executive directors, members of the audit committee, and the persons managing internal supervision activities?	
Answer	NO
Please inform where the data are published	
46. Does the Company publicly disclose the data about the transactions with related entities and transactions with entities and related persons of the latter with special authorizations in the society?	
Answer	YES, the Bank discloses the data about the relations with related entities in accordance with the Law on Banks, Law on Accounting, and the Law on Capital Market.

Please indicate where the data were disclosed	On the Bank's Internet site, www.kombank.com , in the External Auditor's report, Annual Report of the public company, Quarterly Report (Law on Capital Market).
47. Does the Company inform the public about the individually paid remunerations and other financial and non-financial rights and benefits realized by persons vested with managerial and supervisory functions in the Company, as well as of the members of the Company commissions, committees and boards?	
Answer	PARTLY The Bank publishes the data about gross and net earnings of the Board of Directors, Executive Board and Audit Committee enclosed to the Annual Financial Report in the framework of "Note to Individual Financial Reports"
Please indicate where the data were published	On the Bank's Internet site, www.kombank.com .
48. Does the Company use its own Internet site for publishing all relevant information?	
Answer	YES – External Auditor's Report, Financial Reports, Annual Report of the Public Company, Quarterly Report of the Public Company (Law on Capital Market).
Please provide the Internet site	www.kombank.com
49. Is the Internet site of the Company organized in a manner that enables simple access to the information significant for an investor?	
Answer	YES
Please explain the manner of organizational information of an investor (for example, if on the Internet site is organized a special Table of Contents for investors, which is accessed from the head page of the Company's Internet site)	A special Table of Contents is organized on the Bank's Internet site, in the segment of the Table of Contents: "Securities" and "About Us" – Sessions of the Bank Meetings, Financial Reports, Information for Investors, etc.
50. Is all relevant investment information also published in English?	
Answer	YES, all relevant reports and information on the Bank's Internet site are published in both Serbian and English.

STATEMENT – It is declared that the answers contained in this Questionnaire were consented to by the Executive Board of the Bank and that the responses to all questions from this Questionnaire are true and accurate to their best knowledge and belief, and that the Executive Board agree that the answers may be posted on the internet site of Beogradska berza a.d. Beograd.

Executive Board of the Bank
Member
dr Miroslav Perić

Executive Board of the Bank
President
dr Vladimir Medan

Name and surname of legal representative
(by hand)