

**QUESTIONNAIRE
ON THE PRACTICE OF CORPORATE GOVERNANCE OF ISSUERS**

Business name of the Company:	<u>Komercijalna banka AD Beograd</u>
Company head office:	<u>Belgrade, Svetog Save Street, 14</u>
Company ID Number:	<u>07737068</u>
Company Tax ID Number:	<u>100001931</u>

Instructions for completing the questionnaire:

- In addition to the answer YES/NO, it is necessary to describe in more detail the circumstances on the basis of which certain answers were given.
- If the source of information for answering any of the questions is an act of the company that is publicly available, it is necessary to indicate the place where the insight into the act can be gained (e.g. website where the act was published), and if it is an act that is not publicly published, state the exact name of the act, the number of the act and the body of the company that passed it.
- If the source of information for a given answer is a common practice of the company, it is necessary to illustrate it by giving a specific example on the basis of which the subject answer was formulated.

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

Answer: The Bank has accepted the application of the Corporate Governance Code of the Serbian Chamber of Commerce ("Official Gazette of RS" No. 99/2012).

The website where the text of the code applied by the company is publicly available: www.kombank.com

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

Answer: YES

The most important acts dealing with corporate governance issues, and the manner in which their accessibility is made possible.

- Articles of incorporation the Bank (consolidated text) no. 141/IO from March 8, 2021, published on the website of the Serbian Business Registers Agency;
- Rules of Procedure of the Assembly adopted on April 28, 2021;
- Rules of Procedure of the Board of Directors adopted on January 17, 2020, ref. no. 420/1
- Rules of Procedure of the Executive Board adopted on July 20, 2020, ref. no. 434/IO;
- Rules of Procedure of the Audit Committee adopted on December 21, 2018, ref. no. 26050/18;
- Rules of Procedure of the Credit Committee adopted on February 4, 2020, ref. no. 990/10;
- Rules of Procedure of the Assets and Liabilities Management Committee adopted on March 25, 2021, ref. no. 63 / 7.7-1;
- Other general acts are available to shareholders at the Bank's head office, in accordance with the Companies Law.

4. Does the company, in accordance with Article 368 of the Companies Law, publish in its annual reports the compliance of operations with the principles of corporate governance, and provide an explanation of possible deviations from these principles?

Answer:	Yes, Annual report of the public company (Law on Capital Market).
ASSEMBLY AND SHAREHOLDERS	
5. Does the invitation for the shareholders' assembly contain all the prescribed elements and notifications, including data on the shareholders' day with the information on the shareholders' rights to participate in the work of the assembly and propose the agenda, and deadlines for their use, as well as a description of voting procedures through an authorized representative; voting in absence or electronically?	
Answer:	The invitation contains all the prescribed elements except for electronic voting because the above is not provided for in the Bank's Articles of Incorporation.
6. Has the invitation for the Shareholders' Assembly of the Company, with all relevant explanations and notifications immediately after being sent (announced) to the shareholders, been submitted to the Stock Exchange for publication on the regulated market, i.e. MTP Belex?	
Answer:	YES
Indicate whether and how long after the invitation was sent to the company's shareholders, it was submitted to the Stock Exchange for publication in 2021 and 2022.	Yes, the same day.
7. Are the materials for the session of the shareholders' assembly of the company available through the website of the company?	
Answer:	NO
Indicate how the materials for the assembly of the company are available to shareholders if they are not available on the company website.	The shareholder or the authorized representative of the shareholder of the Bank may personally, i.e. on the basis of a written power of attorney, take over the materials on all items of the proposed agenda for the session of the Assembly at the Bank's head office, every working day from 8:00 to 16:00.
8. Has the company established any of the legal possibilities for electronic participation in the work of the company assembly, and if so, in what way?	
Answer:	NO
9. Does the Company publish the decisions made and the minutes from the held session of the assembly of the company, immediately, i.e. within the prescribed deadlines after the assembly was held?	
Answer:	YES
List the ways in which the company in 2021 and 2022 enabled the informing of shareholders and the public on given issues.	By publishing on the Bank's website, www.kombank.com
10. Whether and which materials, decisions, and other relevant documents related to the Assembly of the Company are prepared and published in English?	
Answer:	The Report on determining the results of the voting, the minutes from the session, as well as all decisions made by the Assembly, are prepared in English.
11. Has the Company adopted the Rules of Procedure of the Assembly, and whether the same or any other act of the company contains rules and procedures that ensure that shareholders receive a timely answer to all relevant questions within the Shareholders' Assembly?	
Answer:	YES
Indicate whether the company has ensured and in what way that all shareholders are continuously acquainted with these rules and procedures.	By publishing on the Bank's website, www.kombank.com
12. Does the company have a clearly defined dividend policy and procedures and deadlines for its payment?	

Answer:	On April 28, 2021, the Bank's Assembly passed the Decision on declaring the Bank's Dividend Policy as null and void.
13. Did the company issue shares in the previous year with a restriction of the shareholders' right to preemptive purchase of new issues of the company shares?	
Answer:	NO
14. Has the company established a mechanism for preventing and resolving potential conflicts between shareholders and the company?	
Answer:	YES
Indicate the manner in which shareholders are informed of these procedures.	The Rules of Procedure of the Authorized Bank and the NLB Group Code of Conduct, published on the Bank's website www.kombank.com , mechanisms have been established for managing conflicts of interest that may arise between the interests of shareholders and the interests of the Bank.
15. Are comprehensive information on the proposed candidates available to the shareholders' assembly when electing the members of the company's board, and especially information on the existence and nature of relations with the company, related parties, competitive companies, and the company's main business partners?	
Answer:	All necessary data on candidates are submitted to the National Bank of Serbia for prior consent, in accordance with the Law on Banks and NBS regulations. The decision of the Assembly does not produce a legal effect without the prior consent of the National Bank of Serbia.
16. Are the shareholders enabled to exercise the right to participate in the work and make decisions at the Shareholders' Assembly without restrictions?	
Answer:	No, the application of the Law on Banks.
Indicate the manner in which the participation of shareholders in the general meeting of the company is conditioned (e.g. by the number of shares they own).	Shareholders who have at least 1% of shares with the right to vote directly (in person or through an authorized representative) exercise the right to vote at the Assembly session. A shareholder who holds less than 1% of the voting shares may participate in the session of the Assembly associated with the other shareholders through a joint authorized representative, provided that they have such census.
COMPANY BOARD AND EXECUTIVE MANAGERS	
17. What is the established management system in the company?	
Unicameral - Board of Directors (provide information on the composition of the board, identified as: executive, non-executive, and independent managers and information on the chairman of the board).	
Bicameral – (list the members of the supervisory board with identification of an independent member, and information about the chairman of the supervisory board).	Members of the Board of Directors are: <ol style="list-style-type: none"> 1. Archibald Kremser, president of the Board of Directors, 2. Blaž Brodnjak, member of the Board of Directors, 3. Uršula Kovačič Košak, member of the Board of Directors, 4. Igor Zalar, member of the Board of Directors, 5. Marko Jerič, member of the Board of Directors, 6. Vesna Vodopivec, member of the Board of Directors, 7. Nenad Filipović, member of the Board of Directors – independent, 8. Dragan Đuričin, independent member, 9. Veljko Kuštrov, independent member.
18. Is the competence of the Board of Directors, i.e. the supervisory board of managers more precisely determined by the acts of the company?	
Answer:	Yes, if the term “supervisory board” means the Board of Directors.
19. Have the company's acts established criteria that define the necessary expert and professional knowledge and experience and other conditions for the appointment of a person as a member of the company's board?	

Answer:	No, they are determined by the Law on Banks and bylaws of the National Bank of Serbia.
20. Does the board of the company at least once a year analyze and evaluate the quality and efficiency of their work, and propose measures and activities for their improvement, and report on these measures to shareholders?	
Answer:	No, considering that the Law on Banks defines the competencies of the Board of Directors, including the types and manner of reporting to shareholders.
Are independent managers, i.e. independent members of the supervisory board obliged and in what way, to inform the company and shareholders about all changes that may affect their status regarding independence?	
Answer:	Yes, in accordance with Article 78 of the Law on Banks.
22. Has the company Shareholder's Assembly adopted a transparent and publicly available policy of rewarding the members of the company's board and does the amount of compensation of the company's board members depend on their contribution to achieving financial and non-financial results and business goals of the company?	
Answer:	The policy governing remuneration is adopted by the Board of Directors, in accordance with the Law on Banks. The amount of remuneration for the members of the Board of Directors is adopted by the Assembly, in accordance with the Law on Banks. The amount of remuneration of the members of the Executive Board depends on their contribution.
23. Has the company's board, in addition to the legally obligatory audit commission, formed other commissions, i.e. other expert advisory bodies?	
Answer:	YES
State the name of the commissions, i.e. bodies if they are formed, with the number of members and the description of the tasks entrusted to them, and the acts of the company by which these bodies were formed and which regulate their competence.	In addition to the Audit Committee, the Bank has formed: Assets and Liabilities Management Committee, Credit Committee, and Compensation and Appointment Committee.
24. Have the remunerations paid to the members of the committees of the Board of the Company covered by the policy for the remuneration of the members of the boards of the Company, i.e. determined within the framework defined by the Assembly of the Company?	
Answer:	YES
25. Are the powers and responsibilities of the executive managers clearly defined by the company's acts?	
Answer:	Yes, if the term "executive managers" means the Executive Board of the Bank.
List the acts of the company that regulates these issues. State in what way and which acts have delimited the tasks and powers between the executive and non-executive managers, for the companies with a unicameral management system. Indicate in the bicameral management system whether an executive board has been formed.	Articles of incorporation the Bank.
26. Have the company's acts determined the criteria that define the necessary expert and professional knowledge and experience and other conditions for the appointment of a person as executive manager?	
Answer:	No, the criteria for appointing individual members of the Bank's bodies are determined by the Law on Banks and bylaws of the NBS, if the term "executive managers" is considered to mean the Executive Board of the Bank.

27. Is the process of evaluation of the work of executive managers established and implemented by non-executive managers in the Board of Directors, i.e. the supervisory board in companies with a bicameral management system?	
Answer:	Yes, if the term "executive managers" is considered to mean the Executive Board of the Bank.
28. Do the remuneration of the members of the executive board consist of a fixed and variable part (bonuses, incentives, etc.) depending on the contribution to the achievement of financial and non-financial results and business goals of the company?	
Answer:	YES
29. Has the company established effective mechanisms for ensuring true, timely, comprehensive, and equal reporting of company board members, by executive managers, or what is the manner in which the procedure for reporting to non-executive managers and supervisory board members on all issues affecting business, financial position, and potential risks to the condition of the company's assets is determined?	
Answer:	The manner of reporting for the Bank's bodies is defined by the Law on Banks and NBS regulations. Also, in addition to mandatory regulatory reporting of the Bank's bodies and management, the Bank regulated the system of internal reports and reporting dynamics.
30. Do the executive managers report to the company board on issues referred to in Article 416 of the CL, especially in terms of giving a qualitative opinion and analysis of significant issues that determined the company's operations in the reporting period, with perception and analysis of significant business risks and future long-term and short-term prospects?	
Answer:	Yes, if the term "executive managers" is considered to mean the Executive Board of the Bank, and the term "company board" means the Board of Directors of the Bank. The manner of reporting is regulated by the Law on Banks, regulations of the NBS, and internal acts of the Bank, i.e. the Statute. Article 416 of the CL does not apply to banks.
List the issues on which the reporting of the company's board was realized.	<p>According to the Bank's Articles of Incorporation, the Bank's Executive Board, <i>inter alia</i>:</p> <ul style="list-style-type: none"> proposes to the Board of Directors the business policy and strategy of the Bank, as well as the strategy and policy for risk management and capital management strategy of the Bank; implements the risk management strategy and policies and the Bank's capital management strategy by adopting procedures for risk management, i.e. for identifying, measuring, and assessing risks, and ensuring their implementation and reports to the Board of Directors on these activities; analyzes the risk management system and reports at least quarterly to the Bank's Board of Directors on the level of risk exposure and risk management.
31. Is the function of the company secretary organized within the company, and if so, please more closely specify duties and responsibilities entrusted to him?	
Answer:	The Bank has a corporate secretary, who is appointed by the competent authority, whose job description is the authority to manage, coordinate and direct the work of the Secretariat, provides normative and legal support to the Bank's bodies, cooperates with competent organizational forms in the Bank, members of bodies, boards and working bodies of the Bank, competent state bodies, institutions, public services, and other organizations in order to perform tasks within the competence of the Secretariat.
SUPERVISION AND CONTROL	
32. Has an audit commission been formed in the company??	
Answer:	The Law on Banks clearly defines the Audit Committee as a body of the Board of Directors with clearly defined composition and competencies.
State the composition of the audit committee, and whether the chairman of the committee is an independent manager/ member of the supervisory board, as well	<p>Members of the Audit Committee:</p> <ol style="list-style-type: none"> Dragan Đuričin, member - president of the Audit Committee, Marko Jerič, member of the Audit Committee, Igor Zalar, member of the Audit Committee,

as whether at least one member of the committee is a certified auditor appointed by the company's assembly?	<p>4. Polona Kurtevski, member of the Audit Committee, 5. Barbara Deželak, member of the Audit Committee.</p>
33. Did the company form bodies, i.e. appointed persons who perform internal supervision activities?	
Answer:	Yes, Internal Audit Committee, Compliance Division and Risk Management Function (Risk Management Division, Credit Risk Analysis Division, Risk Prevention and Risk Placement Management Division).
State the act of the company which regulates these issues and state the conditions for the appointment of the person who manages these affairs, and state the data on the person who manages these affairs and the person who meets the conditions prescribed for the internal auditor in accordance with the law.	<p>Director of the Compliance Control Division - /, Deputy Director of the Sector: Director of the Compliance, Prevention and Management of Personal Data Protection Department - Snežana Ristović</p> <p>Director of the Internal Audit Sector: Violeta Ivanković Prescribed conditions by the Law on Banks and the Rulebook on Internal Organization and the Rulebook on Systematization of Business in Komercijalna Banka AD Belgrade: to have appropriate qualifications in accordance with the law, knowledge and experience, as well as professional and personal qualities, to know and follow changes in laws, bylaws acts and internal acts of the bank, to know and monitor the application of accounting policies and financial reporting, to verify the implementation of risk management policies, know and evaluate policies and processes in the Bank, in order to further improve them.</p> <p>Violeta Ivanković, Director of the Internal Audit Sector, is a Certified Internal Auditor (RS Chamber of Certified Auditors), and a Certified Internal Auditor (Global Institute of Internal Auditors)</p> <p>Director of Credit Risk Analysis Secor: /</p> <p>Director of the NPL Prevention and Management Sector : Miodrag Kvirgić</p> <p>Director of the Risk Management Department: Marija Bogdanović Prescribed conditions by internal acts, Rulebook on internal organization and Rulebook on classification of jobs in Komercijalna banka AD Belgrade: must have appropriate qualifications, knowledge and experience, as well as professional and personal qualities, management and leadership skills, to organize and ensure adequacy and improvement of management system risks, organizes tasks of identification, measurement, mitigation, monitoring, control and reporting in the part of risk management within the competence of risk management.</p>
34. Are the issues from Article 452 of the CL more closely regulated by the company acts?	
Answer:	YES
State in which way the mutual rights and obligations of the persons for internal supervision and the audit committee/board of the company are regulated, especially in the part of reporting.	Acts at the level of the Bank, as well as acts that individually regulate the work of bodies that perform internal supervision.
35. Are mechanisms and rules for the implementation of supervision and control defined at the company level, as well as indicators - indicators of activities that should especially point out to internal supervision the need for the implementation of preventive supervision and control?	
Answer:	YES, by internal acts.
36. Does the system of internal supervision also cover matters related to insider information?	
Answer:	YES, by internal acts.
37. Does the external auditor of the company inform the Audit Committee about the issues from Article 453 of the CL?	

Answer:	Yes, in accordance with the Law on Banks Art. 52, 53, and 54, the National Bank of Serbia determines and publishes the list of auditors who may perform audits on the basis of the criteria it prescribes, as well as the preconditions for performing the external audit of banks. Prerequisites for performing audit activities for the Bank: <ul style="list-style-type: none"> • the external auditor may perform a maximum of five consecutive audits of regular annual financial statements with the Bank, • the external auditor may not perform the audit of the bank's financial statements and provide consulting services in the same year, nor may it perform an audit for the business year in which he provided those services, • the auditor must be independent of the Bank (criteria listed in Article 54 paragraph 2).
State in what way is regulated the communication between the external auditor and the company Audit Committee.	In accordance with the Rules of Procedure of the Audit Committee of March 17, 2022, registration no. 189/6-6-1, as follows: <ul style="list-style-type: none"> • discusses with the Bank's external auditor, annual audits of the Bank's financial statements - Article 2, paragraph 2, item 7, of the Rules of Procedure.
38. Does the external auditor also compile a special internal document for the company board (letter to the management) which includes significant weaknesses identified in the control procedures, accounting, and operational procedures of the company, with suggestions for their improvement?	
Answer:	Yes, after the completion of the audit, the external auditor prepares a document "Letter to the management", the content of which is introduced to the Boards of the Bank during the adoption of financial statements.
39. Does the external auditor attend the sessions of the assembly at which the report on the performed audit of the company financial statements is discussed?	
Answer:	Yes, the external auditor attends the sessions of the Assembly, the Board of Directors, and the Audit Committee of the Bank, at which the financial statements for the previous business year are discussed, in accordance with the Law on Banks.
TRANSPARENCY AND PUBLICITY	
40. Does the company have a clearly defined and publicly available reporting policy that defines the principles, rules, and procedures for reporting to shareholders, competent authorities, the public, and all stakeholders?	
Answer:	YES
41. Does the company publish business reports with the report of the external auditor in accordance with the law, bylaws, and rules of the Stock Exchange?	
Answer:	Yes, Annual Report of the public company, Quarterly Reports of the public company (LCM).
42. Do the reports on the company operations contain all the elements prescribed by law, and in particular, the element prescribed by Article 289 of the CL and Article 50 of the LCM?	
The answer should include all elements from the mentioned articles.	Yes, the Annual Report of the public company contains the elements prescribed by Article 289 of the CL and Article 50 of the LCM.
43. Does the company, in addition to the information prescribed by the LCM, determine and immediately publish other data that may affect the price of the company shares and the position of shareholders?	
Answer:	YES, in accordance with the internal act, Rulebook on insider information of Komercijalna banka AD Belgrade
Provide information on published data in accordance with the LCM (e.g. changes in significant equity participation; acquisition/disposal of own shares, etc.), as well as other data that have an impact on the price (e.g. business news, shareholder agreements, court proceedings for refuting the assembly decisions of the company, etc.).	In 2021 and in 2022, until the day of publication of this Questionnaire, in accordance with the LCM, data were published that could, or already have affected the price of shares, as follows: <ol style="list-style-type: none"> 1. 26.03.2021 - Convening of the regular General Meeting of Shareholders, 2. 13.04.2021. - Report on takeover of shares, 3. 29.04.2021. - Annual report for 2020, 4. 29.04.2021. - Annual consolidated report for 2020,

	<ol style="list-style-type: none"> 5. 29.04.2021. - Questionnaire on corporate governance practice, 6. 14.05.2021. - Quarterly report for the first quarter of 2021, 7. 20.07.2021. - Convening of the Extraordinary General Meeting of Shareholders, 8. 13.08.2021. - Quarterly report for the second quarter of 2021, 9. 19.08.2021. - Report from the Extraordinary General Meeting of Shareholders, 10. 30.08.2021. - Semi-annual consolidated report for 2021, 11. 04.10.2021. - Convening of the Extraordinary General Meeting of Shareholders, 12. 21.10.2021. - Other information - Merger status change, 13. 27.10.2021. - Report from the Extraordinary General Meeting of Shareholders, 14. 27.10.2021. - Business news - Signed contract on sale of Komercijalna banka a.d. Banja Luka, 15. 15.11.2021. - Quarterly report for the third quarter of 2021, 16. 19.11.2021. - Convening of the Extraordinary General Meeting of Shareholders, 17. 19.11.2021. - Draft Statute, 18. 19.11.2021. - Proposal of Decision on adoption of the Memorandum of Association, 19. 19.11.2021. - Notification on the rights of dissenting shareholders, 20. 06.12.2021. - Information on the change in the management structure, 21. 08.12.2021. - Information on the change in the management structure, 22. 10.12.2021. - Poslovna vest - Banka Poštanska štedionica buys Komercijalna banka Banja Luka, 23. 24.12.2021. - Report from the General Meeting of Shareholders, 24. 12.01.2022. - Convening of the Extraordinary General Meeting of Shareholders, 25. 12.01.2022. - Proposal of Decision on amendments to the Memorandum of Association, 26. 14.01.2022. - Draft Statute, 27. 04.02.2022. - Report from the Extraordinary General Meeting of Shareholders, 28. 04.02.2022. - Convening of the Extraordinary General Meeting of Shareholders, 29. 28.02.2022. - Report from the General Meeting of Shareholders, 30. 09.03.2022. - Notification on acquisition of own shares, 31. 18.03.2022. - Convening of the regular General Meeting of Shareholders, 32. 22.03.2022. - Convening of the Extraordinary General Meeting of Shareholders, 33. 23.03.2022. - Draft Decision on Amendments to the Decision on Amendments to the Memorandum of Association.
<p>44. Are up-to-date data on company insiders publicly available, with data on the number of shares/percentage of company shares they own?</p>	
<p>Answer:</p>	<p>YES</p>
<p>State what data is available and where it is publicly available.</p>	<p>Data on the ownership structure of the Bank are publicly available on the website of the Central Registry, Depository and Securities Clearing www.crhov.rs, and the internal act, the Rules on control of personal transactions in the provision of investment services and transactions in KB-NLB Group, provides the obligation to publicly disclose information on insiders who acquire shares in the Bank.</p>
<p>45. Does the company publicly disclose biographical data on members of the company boards, executive managers, members of the audit committee and persons in charge of internal control?</p>	

Answer:	NO
Indicate where the data were published.	
46. Does the company publicly disclose data on transactions with related parties and on transactions with persons and persons with special powers in the company related to them?	
Answer:	Yes, the Bank publishes data on relations with related parties in accordance with the Law on Banks, the Law on Accounting and the Law on Capital Market.
Indicate where the data were published.	On the Bank's website, www.kombank.com , in the External Auditor's Report, Annual Report of the Public Company, Quarterly Reports (LCM).
47. Does the company provide reports to the public on individually paid fees and other financial and non-financial rights and benefits realized by the holders of governing, managing and supervision functions in the company, as well as members of the committees of the company boards?	
Answer:	PARTIALLY The Bank publishes data on gross and net remuneration of the Board of Directors, the Executive Board and the Audit Committee with the Annual Financial Report under "Note to the individual financial statements."
Indicate where the data were published.	On the Bank's website, www.kombank.com .
48. Does the company use its own website to publish all relevant information?	
Answer:	YES
Provide the address of the website.	www.kombank.com ¹
49. Is the company website organized in a way that allows easy access to information relevant to the investor?	
Answer:	YES
State the manner in which the informing of investors is organized (e.g. whether the special content for investors on the website is organized in such a way that it can be accessed from the front page of the company.)	A special content was organized on the Bank's website, in the part of the content: "Securities" and "About us" - Sessions of the Bank's Assembly, Financial reports, Information for investors, etc.
50. Have all relevant investment information also been published in English?	
Answer:	Yes, all relevant reports and information on the Bank's website have been published simultaneously in Serbian and English.

STATEMENT - It is hereby stated that the answers contained in this Questionnaire were agreed by the Executive Board of the Bank and that the answers to the questions from this Questionnaire are true to the best of their knowledge and agree that they can be published on the website of the Belgrade Stock Exchange jsc Belgrade.

Deputy President of the Executive Board of the Bank President of the Executive Board of the Bank
Dejan Janjatović Vlastimir Vuković

Name and surname of the legal representative

¹ From April 30th, 2022, the Bank's website will be located at www.nlbkb.rs