

Pursuant to Article 48 of the Statute of Komercijalna Banka AD Skopje, the the Shareholders Assembly of the Bank, at its meeting held on 29.03.2021, made the following

**Draft-Decision
on amendments and supplements
to the Statute of Komercijalna Banka AD Skopje**

Article 1

In the Statute of Komercijalna Banka AD Skopje No. 02-960-786 of 05.02.2001, the Statutory Decision on amendments and supplements to the Statute of the Bank No. 02-950-7519 of 05.04.2001, Statutory Decision on amendments and supplements to the Statute of the Bank No. 02-950-15883 of 23.07.2001, Decision on amendments and supplements to the Statute of the Bank No. 02-1600-11319 of 23.03.2005, Decision on amendments and supplements to the Statute of Komercijalna Banka AD Skopje No. 02-1600-11958 of 22.03.2006, Decision on amendments and supplements to the Statute of Komercijalna Banka AD Skopje No. 02-1600-47504 of 20.11.2007, Decision on amendments and supplements to the Statute of Komercijalna Banka AD Skopje No. 02-1600-12884 of 25.03.2008, Decision on amendments and supplements to the Statute of Komercijalna Banka AD Skopje No. 02-1600-13300 of 24.03.2010 and the Decision on amendments and supplements to the Statute of Komercijalna Banka AD Skopje No. 02-1600-11 of 23.03.2011, Decision on amendments and supplements to the Statute of Komercijalna Banka AD Skopje No. 02-1600-10/1 of 27.03.2013, Decision on amendments and supplements to the Statute of Komercijalna Banka AD Skopje No. 02-190-1/1 of 05.04.2017, Decision on amendments and supplements to the Statute of Komercijalna Banka AD Skopje No. 02-190-9/1 of 04.04.2018, Decision on amendments and supplements to the Statute of Komercijalna Banka AD Skopje No. 02-190-9/1 of 04.04.2019, in the revised text of the Statute No. 02-180-73/1 of 10.05.2019, Article 6 is amended and now reads:

“The Bank has its trademark – emblem and logo, as follows:



**Комерцијална
банка**

Article 2

After Article 6, a new Article 7 is added and reads:

“The color of the emblem, the logo and the letters, as well as the type and arrangement of the letters shall be set out by a separate act of the Bank.”

The sequence of successive articles is changed accordingly.

Article 3

Section XI is deleted.

The sequence of successive sections is changed accordingly.

Article 4

In Article 40, the word “current” is replaced by the word “transaction”.

Article 5

In Article 69, item 1 is amended and now reads:

“adopts the Business Policy and Development Plan of the Bank and monitors their implementation,”

In the same article, item 62 is amended and now reads:

“adopts the Policies for the Process of determining the internal capital (PIC) and the Process of determining the internal liquidity (PIL) of the Bank,”.

Article 6

In Article 70, paragraph 3 is amended and now reads:

“Members of the Supervisory Board may also decide without having a meeting, by giving written consent for the acts that are subject to adoption. The consent may be given either by handwritten signature or by a signature sent by fax or electronically, put on the subject draft-act. The acts shall be considered as adopted if all members of the Supervisory Board give written consent for the draft-act to be adopted.”

Article 7

In Article 83, after item 9, new item 10 is added and reads:

“prepare and implement the plan of activities for achieving and/or maintenance of the required internal liquidity,”

The sequence of successive items is changed accordingly.

Article 8

In Article 88, paragraph 2, the words “the extent of the personal insurance premium” are replaced by the words “the right on life and other type of insurance”.

Article 9

In Article 91, after paragraph 2, new paragraph 3 is added and reads:

The mandate of the members of Risk Management Committee shall be 6 (six) years.”

Previous paragraph 3 is now paragraph 4.

Article 10

In Article 92, item 8 is amended and now reads:

“establishes the Policies for the Process of determining the internal capital (PIC) and the Process of determining the internal liquidity (PIL) of the Bank and monitors their implementation,”

Article 11

After the Section “BANK’S EMPLOYEES”, new Section XVI with 3 new articles is added and reads:

“XVI INTERNAL CONTROL SYSTEM AND CONTROL FUNCTIONS

Article 118

The Supervisory Board and the Board of Directors of the Bank shall establish an internal control system which enables efficient operation and operation in accordance with the regulations, proper identification, measuring and control of the risks in order to reduce them, assessment the efficiency and adequacy of control functions and overall corporate governance, including assessment of the quality of the system for reporting to the Supervisory Board and Board of Directors, accuracy and timeliness of the information and data submitted to the Bank's bodies, interested parties and the general public, as well as appropriate operational and accounting procedures.

Article 119

The Supervisory Board and the Board of Directors of the Bank shall ensure complete independence of the control functions, through:

1. establishing an appropriate organizational structure of the control functions through their internal separation and separation from the activities that are subject to their control,

2. appointing persons responsible for the control functions who are not subordinate to the persons responsible for the activities that are subject to their control;
3. providing adequate human and material resources for independent, objective and efficient performance of control functions;
4. organization of the functions that will enable avoidance of conflict of interests,
5. ensuring smooth access to all employees of the Bank and to all information necessary for efficient implementation of the respective control function,
6. establishing a manner of rewarding the persons involved in the performance of certain control functions which is not related to the success of the activities that are subject to their control,
7. establishing a mechanism of smooth cooperation between the persons involved in the performance of certain control functions and the other employees of the Bank.

Article 120

The persons in charge of the control functions shall have unlimited access to the members of the Supervisory Board of the Bank and can inform them about the significant weaknesses, deficiencies or risks that they have identified in the performance of their function.

The control of the compliance with the regulations and the risk management are subject to regular audits of the Internal Audit Department, in accordance with the Annual Plan of the Department.”

The sequence of successive sections and articles is changed accordingly.

Article 12

Section XVIII is amended and now reads:

“XVIII CONTROL OF THE COMPLIANCE OF THE BANK'S OPERATIONS WITH THE REGULATIONS AND MONEY LAUNDERING PREVENTION

Article 126

The control of the compliance of the Bank's operations with the regulations shall be performed by an independent organizational unit - Department for control of compliance of the Bank's operations and money laundering prevention, where the risks of non-compliance of the Bank's operations with the regulations shall be identified and monitored.

A risk of non-compliance is the risk of exposing the Bank to legal or regulatory sanctions and the risk of incurring financial losses and jeopardizing the reputation of the Bank, as a consequence of non-compliance of the Bank's operations with the regulations.

The scope of the control of the compliance of the Bank's operations with the regulations refers to at least:

1. monitoring the adherence to the regulations that refer to the operation of the Bank;

2. identifying and monitoring the risks of non-compliance of the Bank's operations with the regulations, including monitoring the complaints from the Bank's clients;
3. reporting to the Supervisory Board and Board of Directors on the identified non-compliances during the operation and on the activities undertaken for their overcoming;
4. advising the Supervisory Board and Board of Directors on issues related to the implementation of regulations;
5. timely informing the members of the Board of Directors and the other employees about the amendments and supplements to the regulations;
6. assessment of the potential impact of the amendments and supplements to the regulations on the Bank's operations and its environment;
7. assessment of the compliance of the new products, activities / services or systems in the Bank with the regulations;
8. training of the employees on the method of applying the appropriate regulations in their daily operations;
9. providing directions for proper application of the regulations in a form of recommendations, including recommendations for amending the relevant internal acts, as well as providing answers to the employees on questions related to the implementation of the regulations;
10. fulfilling other legal obligations (e.g. activities for prevention of money laundering and financing of terrorism);
11. cooperation with other institutions;
12. regular reporting to the Supervisory Board and Board of Directors of the Bank, in accordance with the Banking Law.

Article 127

The independent Department for control of compliance of the Bank's operations and money laundering prevention is an independent organizational unit functionally and organizationally separated from the other organizational units of the Bank - directly responsible to the Board of Directors of the Bank.

The process of prevention of money laundering and financing of terrorism in the Bank is part of the Independent Department for control of compliance of the Bank's operations and money laundering prevention and in that sense the Bank has an obligation to conduct client analysis procedures, monitor certain transactions, submits reports to the Financial Intelligence Office, to cooperate with other competent institutions, to keep data and documents and to introduce an internal program for prevention of money laundering and financing of terrorism, and in accordance with the regulations for prevention of money laundering and financing of terrorism, bylaws and international standards in the respective field."

Article 13

In Macedonian version of the text of the Statute, in Article 137, paragraph 1, a rewording is made on the word "clients".

Article 14

In Macedonian version of the text of the Statute, in Article 142, a rewording is made on the word "clients".

Article 15

In the whole text of the Statute, the words “Republic of Macedonia” are replaced by the words “Republic of North Macedonia”, and the words “National Bank of the Republic of Macedonia” are replaced by the words “National Bank of the Republic of North Macedonia”.

Article 16

The Board of Directors of the Bank shall be authorized to submit a request for obtaining consent for this Draft-Decision to the National Bank of the Republic of North Macedonia.

The Board of Directors of the Bank shall be authorized to make any amendments and supplements to this Decision at request of the National Bank of the Republic of North Macedonia.

Article 17

The Supervisory Board of the Bank shall be authorized to prepare revised text of the Bank’s Statute.

Article 18

This Decision shall be in effect upon its adopting by the Bank’s Assembly and upon acquiring consent for amendments and supplements to the Statute of the Bank from the Governor of the National Bank of the Republic of North Macedonia.

CHAIRMAN OF THE ASSEMBLY

EXPLANATION

to the Draft-Decision on amendments and supplements
to the Statute of Komercijalna Banka AD Skopje

The amendments and supplements to the Statute of the Bank presented in the Draft-Decision refer to the following:

1. The Bank has developed an updated, modernized version of its existing logo, in order to follow the latest design trends and better visibility and recognizability of the logo of the new, digital communication channels - on smaller screens of mobile devices, mobile applications, on various social networks, etc. The new version of the logo still contains all the recognizable elements, the rich tradition and recognizability of the unique logo of the Bank, and is adapted to the modern forms and situations in which it will be used.
2. The competences of the Supervisory Board, Board of Directors and Risk Management Committee are complied with the amendments and supplements to the Banking Law, the Decision on good corporate governance rules for banks and the Decision on the methodology for risk management.
3. The part on the insurance of the members of the Board of Directors is being complied with Article 365, paragraph 2 of the Law on Trade Companies.
4. A provision has been added defining the mandate of the members of Risk Management Committee.
5. The section "internal control system and control functions" has been added as part of the Statute, taking into account its significance within the whole system of organization of the Bank.
6. A more detailed explanation is given on the access related to the operation of the Department for control of compliance of the Bank's operations with the law regulations and money laundering prevention.
7. Certain technical adjustments and terminology harmonization have been made in the Statute regarding the terms: "Republic of Macedonia" with "Republic of North Macedonia", "National Bank of RM" with "National Bank of RNM", "current accounts" with "transaction accounts", as well as a rewording is made on the word "clients" in Macedonian version of the text of the Statute.

Pursuant to the aforesaid, there is a need for amendments and supplements to the Statute. Therefore, we propose the Assembly of the Bank to adopt the Decision on amendments and supplements to the Statute of Komercijalna Banka AD Skopje.

SUPERVISORY BOARD
OF THE BANK