

REPORT
of the Nomination and
Remuneration Committee
of the Supervisory Board
for 2024



28 February 2025
Supervisory Board

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1. Introduction

The Nomination and Remuneration Committee of the Supervisory Board of the Bank (the “**Committee**”) was established in pursuance of applicable Ukrainian legislation and in line with the best practices in the area of corporate governance by the decision of the Supervisory Board dated 19.12.2023 (the Minutes No. 17_23, Agenda Item 17).

According to the **Regulation on Nomination and Remuneration Committee** of the Supervisory Board of the Bank (the “**Regulation**”) approved by the decision of the Supervisory Board dated 19.12.2023 (the Minutes No. 17_23, Agenda Item 19), it is **a standing collective body** of the Bank created for the purpose of **preliminary study** and **preparation** for consideration by the Supervisory Board of the Bank of the **issues** falling **within the scope of its competence**.

The **competence** of the Committee is determined by the legislation of Ukraine, the Bank's Charter and these Regulation.

The **Committee** in its activities **is guided** by the current legislation of Ukraine, the Bank's Charter, the Regulation, decisions of the General Meeting of Shareholders and the Supervisory Board of the Bank, internal regulatory documents of the Bank.

The **Committee** is **accountable to the Supervisory Board** and at least once a year reports to the Supervisory Board on results of its activity . The Supervisory Board is responsible for the work of the Committee.

1. Introduction

The **competence** of the **Committee includes**:

- Providing recommendations to the Bank's Supervisory Board on **formation of the remuneration system** and ensuring that the remuneration complies with the risk management culture, the Bank's strategy, the Bank's approved risk appetite, financial results and internal control system, as well as the requirements of applicable legislation;
- **Reviewing the Regulation on the remuneration** of Members of the Supervisory Board of the Bank, Members of the Management Board of the Bank and influential persons of the Bank;
- **Reviewing the Reports on remuneration** of Members of the Supervisory Board, Members of the Management Board and influential persons of the Bank;
- **Providing proposals** to the Supervisory Board **on individual remuneration** granted to the Chairman and Members of the Management Board, Chief Compliance Officer, Chief Risk Officer, and the Bank's Responsible Officer for conducting financial monitoring, Corporate Secretary **ensuring its consistency with the remuneration policy** adopted by the Bank and its compliance with the assessment of the work of the specified officials;
- **Recommending** for approval by the Supervisory Board **candidates to fill vacant positions**, the appointment of which falls within the competence of the Supervisory Board;
- **Periodic assessment** of Members of the **Management Board** for **compliance with qualification requirements** and reporting on this issue to the Supervisory Board of the Bank;
- Ensuring **training programs** for members of the Supervisory Board and the Management Board of the Bank, so that they can effectively fulfill their duties in the corporate governance model implemented at the Bank, etc.

2. Composition of the Nomination and Remuneration Committee of the Supervisory Board

The current **composition** of the Committee was **approved by the Supervisory Board on 19.12.2023** (the Minutes No. 17_23) and is aligned with the requirements of the Committee Regulation. The Committee consists of three members of the Supervisory Board of the Bank the majority of whom is independent.

Members of the Committee are **elected for unlimited period of time**, and in any case until termination of their powers as the Supervisory Board Members.

The composition of the Committee is as follows

- Mr. **Efstratios Hatzistefanis** (Independent Member), **Chairman** of the Committee;
- Mr. **Georgios Theodosiou** (Shareholder representative), **Member** of the Committee;
- Mr. **Georgios Georgountzos** (Independent Member), **Member** of the Committee.

3. Activity of the Nomination and Remuneration Committee of the Supervisory Board

	Way of convening	Attendance	Key Agenda Items
Nomination and Remuneration Committee	In total, during 2024 9 meetings were held (2 meetings with physical presence (by videoconference) and 7 absentee votings)	<ul style="list-style-type: none"> ▪ Mr. Efstratios Hatzistefanis - 9 of 9 meetings; ▪ Mr. Georgios Georgountzos - 9 of 9 meetings; ▪ Mr. Georgios Theodosiou - 9 of 9 meetings 	<ul style="list-style-type: none"> ▪ Year-end performance assessment of key managers of the Bank for year 2023 ▪ List of Risk Takers of the Bank for year 2023 ▪ Report on remuneration of members of the Supervisory Board and Management Board of the Bank for 2023 ▪ Report on evaluation of performance of the Management Board of the Bank for year 2023 ▪ Bonus payment to Heads of Business Development Department and Digital Business Development Department based on the results of business KPIs set for BY 2023 ▪ Upholding the appointment of Ms. Liubov Lytovchak, CCO - Director of the Compliance Control Department, as Member of the Management Board of the Bank and Responsible employee of the Bank for conducting financial monitoring ▪ Consideration of the updated version of the internal regulatory document "Remuneration Policy of the Bank ▪ Consideration of changes of remuneration of top managers of the Bank and updated labour terms and conditions for the employees of the Internal Audit Department starting from May 1st, 2024 ▪ Consideration of the Supplements to the Labour Contracts of Members of the Management Board of the Bank; ▪ Consideration of the KPIs for BY 2024 to the Chairman of the Management Board, Members of the Management Board and Heads of control functions of the Bank, etc.

3. Activity of the Nomination and Remuneration Committee of the Supervisory Board

The **Chairman** of the Committee **convened** the **meetings in presence** by means of Zoom videoconference as well as proposed the Committee Members to take decisions **via absentee voting** (polling). The Chairman chaired the meetings, approved the agendas, ensured their observance, monitored timely dispatch of materials to the Committee members.

During the reporting period, the **Committee preliminary considered** the items falling within the scope of its competence and provided the Supervisory Board with its recommendations based on the results of such consideration.

Based on the results of assessment of participation in work of the Committee it should be concluded that **all Members actively participated** in the work of the Committee and **allocated sufficient time to fulfillment of their duties**.

For efficient and effective work of the **Committee** and comprehensive preparation for making informed decisions, the Chairman and Members of the Committee regularly **interacted** with the control functions of the Bank and the Supervisory Board.

In the future, the Committee plans to **proceed** with **performing the assigned functions** in accordance with the applicable legislation and the Committee Regulation and **provide effective support** to the Supervisory Board of the Bank on issues related to selection and appointment of officials of the Bank, the amount of their remuneration, etc.

