

There is no moving forward  
without looking back.

## Consolidated Corporate Governance Report 2022

**Addiko Bank**



## Table of Content

Corporate Governance Statement	2
Addiko's Declaration of Commitment	4
Deviations from the Code	4
Corporate Structure	5
General Meeting	6
Supervisory Board	7
Supervisory Board Members as of 31 December 2022	7
Members who left the Supervisory Board in 2022	7
State Commissioners as of 31 December 2022	7
Supervisory Board Mandates and comparable functions in other listed companies	8
Independence Criteria for Assessment of Independence of the Supervisory Board Members	8
Independent Members of the Supervisory Board	8
Supervisory Board Activity Report	9
Committees of the Supervisory Board	10
Self-evaluation of the Supervisory Board	14
Management Board	15
Management Board Members of Addiko Bank AG as of YE2022 and allocation of responsibilities	15
Committees of the Management Board	16
Information on the working procedures of the Management Board	18
Supervisory Board Mandates and Comparable Functions in companies outside the Group	18
Members of the Management Board and Supervisory Board held mandates in following subsidiaries	18
Measures to promote woman in Management Board, the Supervisory Board and managerial positions	19
Women in the Management Board, the Supervisory Board and in managerial positions	19
Diversity Concept	20
Promoting Diversity and Inclusion	20
Diversity in the Supervisory Board	20
External Evaluation	21
Attachment 1: Transactions and measures requiring the approval of Supervisory Board as of YE2022	22

## Glossary of Key Terms

The table below sets out the most used terms contained within this handbook and Addiko Bank.

Term	Definition
ABG	Addiko Group
ACGC	Austrian Corporate Governance Code
Addiko Bank or Addiko	Addiko Bank AG (Holding)
AGM	Annual General Meeting
AktG	Aktiengesetz (Stock Corporation Act)
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
BiH	Bosnia and Herzegovina
BWG	Bankwesengesetz (Banking Act)
BGBL	Bundesgesetzblatt (Law Gazette)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Code	Austrian Code of Corporate Governance
CISO	Chief Information Security Officer
CMO/CIO	Chief Market/IT/Digitalization Officer
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation
CSEE	Central and Southeastern Europe
D&O Insurance	Directors-and-Officers Insurance
EBA	European Banking Authority
ECB	European Central Bank
SPOC	Single Point of Contact
FMA	Finanzmarktaufsicht (Financial Market Authority)
FX	Foreign Exchange
GoB	Group of Borrowers
ICAAP	Internal Capital Adequacy Assessment Process
ICS	Internal Control System
ICV	Internal Collateral Value
NPE	Non-Performing Exposure
NPL	Non-Performing Loans
OPEX	Operational Expenditure
SME	Small and Medium-Sized Enterprises

## Corporate Governance Statement

### Addiko's Declaration of Commitment

Addiko Group is a listed consumer and small and medium-sized enterprises (SME) specialist banking group in Central and Southeastern Europe (CSEE).

Addiko Group consists of Addiko Bank AG (hereinafter referred to as "Addiko" or "Bank"), a fully licensed Austrian parent bank registered in Vienna, Austria, supervised by the Austrian Financial Market Authority and by the European Central Bank, as well as six subsidiary banks, registered, licensed and operating in five CSEE countries: Croatia, Slovenia, Bosnia and Herzegovina (where it operates two banks), Serbia and Montenegro.

Through its six subsidiary banks Addiko Group services approximately 0.8 million customers in CSEE as of 31 December 2022, using a well-dispersed network of 154 branches and modern digital banking channels.

As a company listed on the Vienna Stock Exchange, Addiko sets great importance on responsible and transparent management in order to maintain the understanding and trust of its various stakeholders.

Therefore, Addiko is committed to complying with the Austrian Corporate Governance Code (ACGC or the Code) in the version of January 2023. The ACGC is publicly available on the website of the Austrian Working Group for Corporate Governance ([www.corporate-governance.at](http://www.corporate-governance.at)).

The Code contains:

- rules based on compulsory legal requirements (L rules);
- rules that should be complied with, where deviations must be explained and justified in order for the company's conduct to conform with the Code (C rules, comply or explain);
- and rules that are recommendations, where non-compliance must not be disclosed or justified (R rules).

Certain legal provisions only apply to companies that are listed on the Vienna Stock Exchange.

### Deviations from the Code

Addiko observes the rules of the Austrian Corporate Governance Code.

Deviations refer to the entire business year 2022:

No.	Deviation	Comments
C-12	The materials and documents required for a Supervisory Board meeting have not been made available at least one week before the respective meeting at each and every session.	In 2022, extraordinary Supervisory Board meetings were convened at short notice and therefore the deadline to provide meeting materials seven days before the meeting could not be met. In addition, documents of sensitive nature were - with the consent of the Supervisory Board - provided within a shorter time frame. Delays in this matter were accepted by the Supervisory Board in the respective meeting.
C-43	The Supervisory Board shall set up a remuneration committee; and the chairperson of the Supervisory Board must be a member of this committee. (..) The remuneration committee shall deal with the contents of employment contracts with Management Board members, it shall ensure the implementation of the C-Rules 27, 27a and 28 and shall regularly review the remuneration policy applicable to the Management Board members.	In addition to the Remuneration Committee, the Supervisory Board of Addiko Bank AG established a Committee for Management Board Matters, which deals exclusively with the contents of employment contracts with the Management Board members and regularly (at least once a year) reviews the Remuneration Policy applicable to the Management Board members. The Chairman of the Committee for Management Board Matters is the Chairman of the Supervisory Board.



## Corporate Structure

Addiko is a stock corporation established according to Austrian law and consists of the Management Board and the Supervisory Board (two-tier-system).

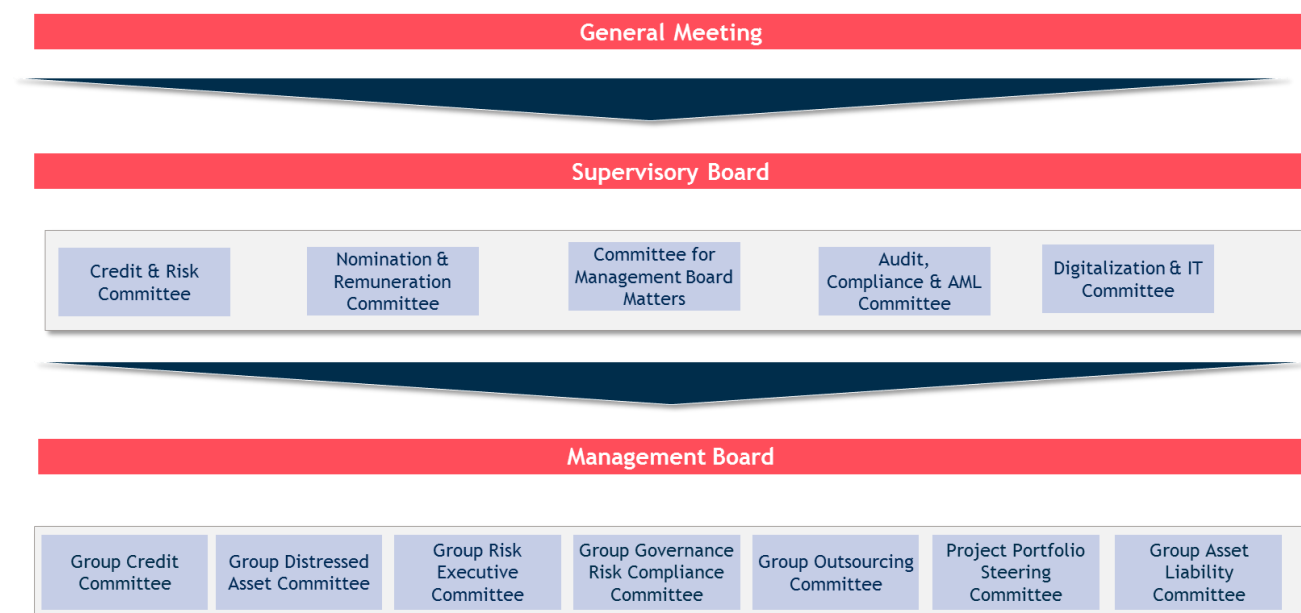
The Management Board is responsible for the management of the company in accordance with the law, the Articles of Association of Addiko Bank AG, as well as considering the interests of shareholders and the company's employees, as well as public interest with the objective to create sustainable value in the interests of the company.

The Management Board decides on all matters prescribed by law, the by-laws, the Articles of Association, Rules of Procedures or guidance provided by the Supervisory Board and ensures compliance with the legal requirements and internal guidelines (compliance). It also takes the necessary measures to ensure that adequate internal guidelines are developed and implemented. The Management Board's responsibilities include - in particular - the bank's strategic management and direction, the allocation of resources, financial accounting, and reporting, control and risk management, as well as a properly functioning business organization and corporate control. The Management Board meets on a weekly basis or more frequently, if required.

The Management Board works closely together with the Supervisory Board in a cooperative relationship of trust and for the benefit of the company. The Management Board reports to the Supervisory Board at a minimum within the scope prescribed by law or administrative guidelines, on all issues with relevance for the Group concerning strategy, the intended business policy, planning, business development, risk situation, risk management, staff development, reputation, and compliance.

The Supervisory Board appoints the members of the Management Board, decides on the remuneration of the Management Board, regularly monitors their management activities, and advises on fundamental matters related to the company. It takes part in making decisions as provided by law, the Articles of Association and its Rules of Procedures. The Supervisory Board meetings are convened by the chairperson and are held at least once during each calendar quarter. Ad-hoc meetings can be requested if required.

**Figure 1 Corporate Governance Structure of Addiko as of 31 December 2022**



## General Meeting

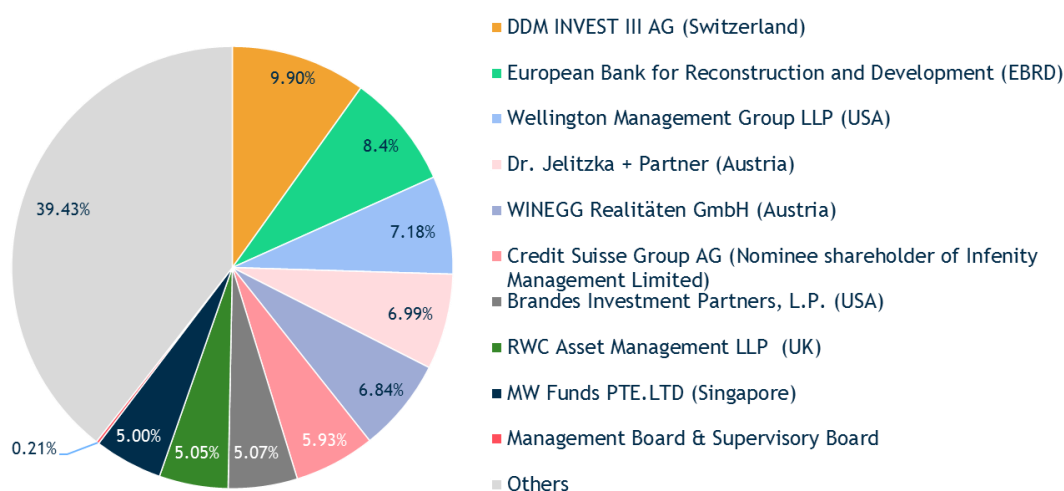
The Annual General Meeting (AGM) as the highest-ranking body of Addiko consists of the shareholders of the company.

The share capital of Addiko amounts EUR 195,000,000 and is divided into 19,500,000 non-par value bearer shares which carry equal participation interest in the share capital.

In 2022, the General Meeting convened one ordinary meeting on 14 April 2022.

Based on Section 1 (2) COVID-19-GesG, Austrian Federal Legal Gazette (BGBl.) I No. 16/2020 as amended by BGBl. I Nr. 246/2021 und der COVID-19-GesV (BGBl. II Nr. 140/2020 idF BGBl. II Nr. 609/2021) considering the interests of both the company and the participants, the meeting was held as “virtual general meeting”.

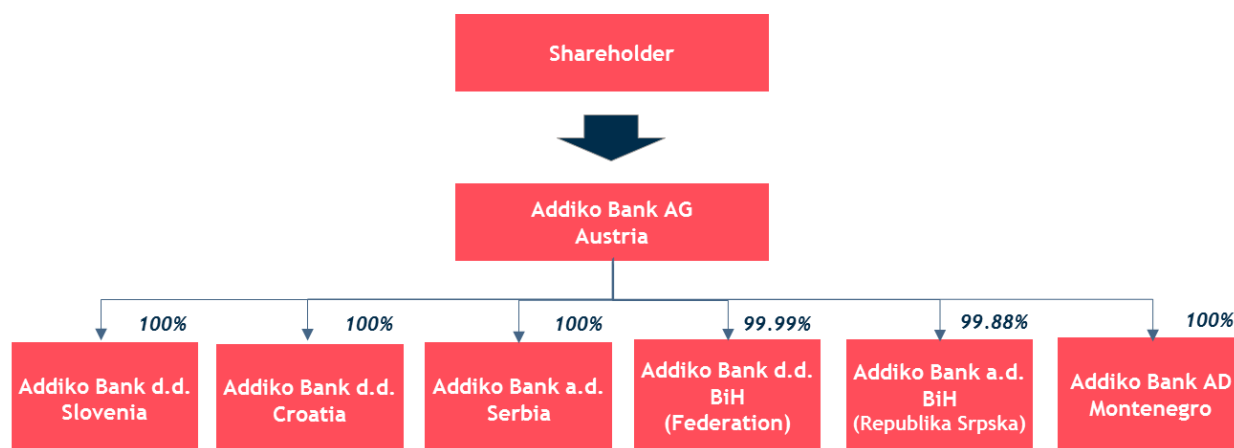
**Figure 2 Shareholder structure as of 31 December 2022 (c. 56.9% free float)**



The illustration above is based on the Major Holdings and Directors' Dealings notifications as received by Addiko Bank AG (Holdings below 4% of the shares are presented in a summarized form, next to holdings by the Management Board and the Supervisory Board) and on sources that we consider reliable. Addiko Bank AG does not guarantee the accuracy or completeness of the text and graph. Latest status published on <https://www.addiko.com/shareholder-structure/>

According to the Major Holdings Notification from BDD M&V Investments AD from 06 December 2022, Credit Suisse AG is the nominee shareholder of Infenity Management Limited, which is ultimately controlled by Miodrag Kostic. Furthermore, their shareholding amounts to 7.33% as of 1 December 2022. This is not reflected in the shareholder structure above since it is based on the disclosure of shareholding in the relevant section of Major Holdings Notifications.

**Figure 3 Ownership structure as of 31 December 2022**



## Supervisory Board

### Supervisory Board members on 31 December 2022

[C-58]

The following changes were made during the financial year 2022:

On 14 April 2022, the Annual General Meeting decided to reduce the number of shareholder representatives from six to five Supervisory Board members. The General Meeting elected Sava Ivanov Dalbokov and Johannes Proksch as new members of the Supervisory Board of Addiko Bank AG, while the mandates of Sebastian Prinz von Schoenaich-Carolath, Pieter van Groos and Dragica Pilipović-Chaffey as Supervisory Board members of Addiko Bank AG were not prolonged.

Thus, by year end 2022 the Supervisory Board consists of five shareholder representatives and two members delegated by the Works Council:

Name	Position	Year of birth	Date of first appointment	End of the mandate
Kurt Pribil	Chair	1957	10.07.2020	AGM 2024
Sava Ivanov Dalbokov	Deputy	1973	14.04.2022	AGM 2025
Johannes Proksch	Member	1969	14.04.2022	AGM 2025
Monika Wildner	Member	1971	10.07.2020	AGM 2025
Frank Schwab	Member	1969	27.11.2020	AGM 2025
Christian Lobner	Member / Works Council	1978	22.09.2015	until dismissal
Thomas Wieser	Member / Works Council	1980	29.07.2019	until dismissal

### Members who left the Supervisory Board in 2022

[C-58]

Name	Position	Year of birth	Date of first appointment	End of the mandate
Sebastian Prinz von Schoenaich-Carolath	Member	1957	06.06.2019	14.04.2022
Dragica Pilipović-Chaffey	Member	1946	17.07.2015	14.04.2022
Pieter van Groos	Deputy	1961	26.04.2021	14.04.2022

### State Commissioners as of 31 December 2022

Name	Position	Year of birth	Date of first appointment	End of the mandate
Vanessa Koch	State Commissioner	1989	01.03.2019	29.02.2024
Lisa Marie Haas	Deputy State Commissioner	1989	01.03.2019	29.02.2024

## Supervisory Board Mandates and comparable functions at other listed companies

[C-58]

The following Supervisory Board members hold further Supervisory Board mandates or perform a comparable function at a listed company. Members not listed, do not have a comparable function.

Name	Company	Mandate	Position
Monika Wildner	Austrian CA Immobilien Anlagen AG	Supervisory Board	Member until 31.10.2022

## Independence Criteria for Assessment of Independence of the Supervisory Board members

[C-53]

In accordance with and taking into consideration Appendix 1 of the ACGC, a member of the Supervisory Board shall be considered as independent if no private or other relationship with the company or its Management Board exists, which would cause a conflict of interest.

The majority of the members of the Supervisory Board appointed by the General Meeting or delegated according to the articles of association shall be considered as independent. Every member of the Supervisory Board shall be responsible to declare their independence. Furthermore, the following guidelines according to Appendix 1 of the ACGC shall be considered for the assessment of the independence of a member of the Supervisory Board:

- The Supervisory Board member shall not have served as a member of the Management Board or as a management level employee of the company or one of its subsidiaries in the past five years.
- The Supervisory Board member shall not maintain or have maintained in the past year any business relations with the company or one of its subsidiaries to an extent of significance for the member of the Supervisory Board. This shall also apply to relationships with companies in which a member of the Supervisory Board has a considerable economic interest, but not for exercising functions in the bodies of the group. The approval of individual transactions by the Supervisory Board pursuant to L-Rule 48 does not automatically mean the person is qualified as not independent.
- The Supervisory Board member shall not have acted as auditor of the company or have owned a share in the auditing company or have worked there as an employee in the past three years.
- The Supervisory Board member shall not be a member of the Management Board of another company in which a member of the Management Board of the company is a Supervisory Board member.
- A Supervisory Board member may not remain on the Supervisory Board for more than 15 years. This shall not apply to Supervisory Board members who are shareholders with a direct investment in the company or who represent the interests of such a shareholder.
- The Supervisory Board member shall not be a closely related (direct offspring, spouses, life partners, parents, uncles, aunts, sisters, nieces, nephews) of a member of the Management Board or of persons having one of the aforementioned relations.

According to the criteria listed above for the independence of Supervisory Board members, the following Supervisory Board members of Addiko Bank AG within the business year 2022 can be classified as independent:

Name	Position	Year of birth	Date of first appointment	End of the mandate
Kurt Pribil	Chair	1957	10.07.2020	AGM 2024
Sava Ivanov Dalbokov	Deputy	1973	14.04.2022	AGM 2025
Monika Wildner	Member	1971	10.07.2020	AGM 2025
Frank Schwab	Member	1969	27.11.2020	AGM 2025

## Independent members of the Supervisory Board members

[C-54]

In the case of companies with a free float of more than 20%, the members of the Supervisory Board elected by the General Meeting or delegated by shareholders in accordance with the articles of incorporation shall include at least



one independent member pursuant to C-Rule 54 who is not a shareholder with a stake of more than 10% or who represents such a shareholder's interests.

In the case of companies with a free float of over 50%, at least two members of the Supervisory Board must meet these criteria.

At Addiko, the following members of the Supervisory Board can be classified as independent members under C-Rule 54 in this matter:

Name	Position	Year of birth	Date of first appointment	End of the mandate
Kurt Pribil	Chair	1957	10.07.2020	AGM 2024
Sava Ivanov Dalbokov	Deputy	1973	14.04.2022	AGM 2025
Monika Wildner	Member	1971	10.07.2020	AGM 2025
Frank Schwab	Member	1969	27.11.2020	AGM 2025

## Supervisory Board Activity Report

[C-36, C-58]

In 2022, the Supervisory Board convened ten meetings and adopted four decisions via circular resolution.

The Supervisory Board members attended the meetings of the Supervisory Board as shown below:

Name	Position	Meetings attended / out of	Excused
Kurt Pribil	Chair	10/10	0
Sava Ivanov Dalbokov	Deputy	6/6	0
Johannes Proksch	Member	6/6	0
Monika Wildner	Member	10/10	0
Frank Schwab	Member	10/10	0
Christian Lobner	Member / Works Council	10/10	0
Thomas Wieser	Member / Works Council	10/10	0
Dragica Pilipović-Chaffey <sup>1</sup>	Member	4/4	0
Sebastian Prinz von Schoenaich-Carolath <sup>2</sup>	Member	4/4	0
Pieter van Groos <sup>3</sup>	Deputy	4/4	0

Within the scope of its responsibilities and based on the requirements of the law, the Articles of Association and Rules of Procedures the Supervisory Board of Addiko Bank AG appoints, supervises and advises the Management Board and is directly involved in decisions of fundamental importance to the bank. It closely works together with the Management Board in a cooperative relationship of trust and for the benefit of the company. The Supervisory Board decides on the appointment and dismissal of members of the Management Board including long-term succession planning for the Management Board based on proposals of the Committee for Management Board Matters, further considering recommendations of the Nomination and Remuneration Committee. Based on proposals of the Nomination and Remuneration Committee, the Supervisory Board determines the total remuneration of the individual members of the Management Board, resolves on the remuneration system for the Management Board and reviews it regularly.

<sup>1</sup> Pilipović-Chaffey - mandate was not prolonged after 14.04.2022, before that date 4 meetings were held.

<sup>2</sup> Schoenaich-Carolath - mandate was not prolonged after 14.04.2022, before that date 4 meetings were held.

<sup>3</sup> Van Groos - mandate was not prolonged after 14.04.2022, before that date 4 meetings were held.

Based on the reports on risks arising from banking business, the Supervisory Board discussed the adequacy of capital and liquidity with the Management Board. The Management Board regularly informed the Supervisory Board about regulatory developments and the resulting measures.

The Supervisory Board regularly received reports by Internal Audit, Compliance and AML, Internal Control System (ICS) and Risk functions and examined those in detail. The Management Board discussed strategies and major specific measures in detail with the Supervisory Board. Legal transactions requiring approval were submitted to the Supervisory Board, and the Supervisory Board was given opportunity to thoroughly examine any reports and resolutions proposed by the Management Board.

The Supervisory Board reviewed the annual financial statement, the consolidated financial statement and the consolidated Non-Financial Report, the Management Board Report and Corporate Governance Report, the Report of the Supervisory Board, as well as the proposal on the allocation of the annual profit.

In addition, the Supervisory Board decided - among other topics - on the Budget 2023, the Recovery Plan 2022, the amendments of the Organizational Chart, the amendments of the Business and Risk Strategy, the Internal Audit Charter and Internal Audit Plan, the Group AML/CTF Policy and the Group Risk Appetite Statement, the Remuneration Policy as well as on the Fit and Proper Assessment of the Supervisory Board and Management Board.

The Chairman of the Supervisory Board and - within their respective functional responsibility - the Chairpersons of the Supervisory Board Committees are informed without delay by the Chairman of the Management Board or by the respectively responsible Management Board member about important events of material significance for the assessment of the situation, development, and management of Addiko Bank AG and/or the Group. The Chairman of the Supervisory Board engages in discussions with investors on Supervisory Board - related topics when necessary and regularly informs the Supervisory Board of the substance of such discussions.

Furthermore, the Supervisory Board took decisions on several transactions requiring approval according to the Rules of Procedures of the Management Board and Supervisory Board.

### **Committees of the Supervisory Board**

[C-34, C-39]

The Supervisory Board has established the following five standing committees, i.e., the Credit and Risk Committee, the Audit, Compliance and AML Committee, the Nomination and Remuneration Committee, the Digitalization and IT Committee and the Committee for Management Board Matters. To the extent required, the committees coordinate their work and consult each other on an ad hoc basis. The respective committee chairperson reports regularly to the Supervisory Board on the work of the committees.

The establishment of these committees and their decision-making powers are defined in the applicable Rules of Procedures of the Supervisory Board of Addiko, the Austrian Banking Act (Bankwesengesetz, "BWG") and EBA/GL/2017/11.

The delegation of members to the committees from the Works Council is done in accordance with the provisions of the Austrian Labor Act (Arbeitsverfassungsgesetz).

### Credit and Risk Committee

The following changes were made during the financial year 2022:

In the constituent Supervisory Board meeting from 26 April 2022, which was held due to changes in the Supervisory Board formation and following the appointment of Sava Ivanov Dalbokov and Johannes Proksch as members to the Supervisory Board, Sava Ivanov Dalbokov was elected as Chairperson and Johannes Proksch as Deputy of the Credit and Risk Committee. Monika Wildner, who was the Deputy of the committee until 26 April 2022, became a member before she resigned entirely from Credit and Risk Committee as of 10 May 2022.

In 2022, the Credit and Risk Committee has held six meetings and approved three circular decisions.

Name	Position	Comment
Pieter van Groos	Chair	until 14.04.2022
Sava Ivanov Dalbokov	Chair	since 26.04.2022
Monika Wildner	Deputy Member	until 14.04.2022 from 26.04.2022 - 10.05.2022
Johannes Proksch	Deputy	since 26.04.2022
Dragica Pilipović-Chaffey	Member	until 14.04.2022
Kurt Pribil	Member	
Frank Schwab	Member	
Christian Lobner	Member	Works Council representative

The Credit and Risk Committee is an advisory committee to the Supervisory Board and in accordance with the Rules of Procedures of the Supervisory Board the highest credit decision making committee. It is responsible to grant loans and credits to customers or to a group of affiliated customers in accordance with the Rules of Procedures of the Supervisory Board. The credit authority levels refer to credit decisions for "Group of Borrowers" (GOB) in Group competence, e.g., with a gross exposure exceeding the credit authorities of subsidiaries. Furthermore, any intragroup limit to any subsidiary within Addiko Group referring to any kind of exposure/investment must be approved by the Credit and Risk Committee of Supervisory Board.

The committee advises the Management Board on the current and future risk tolerance and risk strategy of Addiko, monitors the implementation of its risk strategy in connection with the control, monitoring and limitation of risks in accordance with § 39 (2b) (1) to (14) BWG and monitoring capital adequacy and liquidity. In addition, it reviews whether the pricing of the services and products offered by the credit institution adequately take into account its business model and risk strategy. In addition the Credit and Risk Committee recommends the Recovery Plan of the group for decision-making to the Supervisory Board.

The committee collaborates with other committees whose activities may have an impact on the risk strategy (e.g., Audit, Compliance and AML Committee) and regularly communicates with Addiko's internal control functions, in particular the risk management function.

### Audit, Compliance and AML Committee

The following changes were made during the financial year 2022:

In the constituent Supervisory Board meeting from 26 April 2022, Monika Wildner was elected as Chair of the Audit, Compliance and AML Committee, while Johannes Proksch joined the committee as Deputy and Sava Ivanov Dalbokov as member of the Audit, Compliance and AML Committee.

In 2022, the committee held five meetings.

Name	Position	Comment
Dragica Pilipović-Chaffey	Chair	until 14.04.2022
Monika Wildner	Chair	since 26.04.2022
Johannes Proksch	Deputy	since 26.04.2022
Sebastian Prinz von Schoenaich-Carolath	Member	until 14.04.2022
Sava Ivanov Dalbokov	Member	since 26.04.2022
Frank Schwab	Member	
Christian Lobner	Member	Works Council representative

The Audit, Compliance and AML Committee is an advisory and limited decision-making committee of the Supervisory Board. The key tasks of the Audit, Compliance and AML Committee pursuant to § 63a (4) BWG include the auditing of annual financial statements and consolidated group financial statements including the consolidated non-financial-report and prepares the adoption of the annual financial statements, as well as the proposal on the allocation of the annual profit by the Supervisory Board. The committee further reviews the report of the Supervisory Board and the (consolidated) Management report. The chair of the committee invites the bank auditor for an additional session regarding the communication between the company and its bank auditor without the Management Board being present.

Moreover, the committee issues recommendations for improving reliability and supervises the effectiveness of the company's Internal Audit, Compliance and AML, Internal control system (ICS) and Risk function and examines those in detail.

### Nomination and Remuneration Committee

The committee held six meetings and the following changes were made during the financial year 2022:

After the mandate of Sebastian Prinz von Schoenaich-Carolath on 14 April 2022 was not prolonged, Frank Schwab was elected as chairperson of the Nomination and Remuneration Committee within the constituent meeting on 26 April 2022 and Sava Ivanov Dalbokov and Johannes Proksch were elected as members.

Name	Position	Comment
Frank Schwab	Chair	since 26.04.2022
Sebastian Prinz von Schoenaich-Carolath	Chair	until 14.04.2022
Kurt Pribil	Deputy	
Sava Ivanov Dalbokov	Member	since 26.04.2022
Johannes Proksch	Member	since 26.04.2022
Monika Wildner	Member	
Pieter van Groos	Member	until 14.04.2022
Thomas Wieser	Member	Works Council representative

The Nomination and Remuneration Committee submits proposals to the Supervisory Board for filling vacant mandates on the Management Board and deals with succession planning. The committee supports the Supervisory Board also with the preparation of proposals to the General Meeting for the filling of vacancies on the Supervisory Board.

Furthermore, the committee considers its recommendations on diversity targets and reviews the fit and proper status of the members of the Management Board and Supervisory Board. The Nomination and Remuneration Committee deals with the Management Board succession planning, regular fit and proper evaluation of Management Board and Supervisory Board members, regarding their knowledge, skills and experience, assessing the structure, size, composition and performance of the Management Board and the Supervisory Board periodically but in any case, if occasions imply the necessity for a new evaluation.

The committee prepares resolutions on remuneration matters, including those that have an impact on the company's risk and risk management and must be passed by the Supervisory Board. The committee reviews, discusses and suggests changes to the remuneration policy and monitors the remuneration practices as well as the incentive structure of the company pursuant to § 39c BWG.

## Committee for Management Board Matters

The following changes were made during the financial year 2022:

After the change within the Supervisory Board formation, Sava Ivanov Dalbokov was elected as Deputy of the Committee for Management Board Matters and Johannes Proksch was elected as member within the constituent meeting on 26 April 2022.

The committee held three meetings and approved one circular decision in 2022.

Name	Position	Comment
Kurt Pribil	Chair	
Sebastian Prinz von Schoenaich-Carolath	Deputy	until 14.04.2022
Sava Ivanov Dalbokov	Deputy	since 26.04.2022
Johannes Proksch	Member	since 26.04.2022
Dragica Pilipović-Chaffey	Member	until 14.04.2022
Pieter van Groos	Member	until 14.04.2022

The Committee for Management Board Matters is a decision-making committee responsible for the exercise of representative rights pursuant to the Stock Corporation Act (Aktiengesetz, "AktG") and is required to advise on and manage the legal relationships between the company and the members of the Management Board except for the appointment and dismissal of the members of the Management Board.

In particular, it deals with provisions in the individual Management Board members' employment contracts and makes changes to the contracts as needed.



### Digitalization and IT Committee

The following changes were made during the financial year 2022:

After the change within the Supervisory Board formation, Sava Ivanov Dalbokov and Johannes Proksch were elected as members of the Digitalization and IT Committee, within the constituent meeting on 26 April 2022.

The Digitalization and IT Committee held four meetings in 2022.

Name	Position	Comment
Frank Schwab	Chair	
Monika Wildner	Deputy	
Sava Ivanov Dalbokov	Member	since 26.04.2022
Johannes Proksch	Member	since 26.04.2022
Kurt Pribil	Member	until 14.04.2022
Pieter van Groos	Member	until 14.04.2022
Thomas Wieser	Member	Works Council representative

Addiko Group repositioned itself as a specialist Consumer and SME banking group with a focus on growing its Consumer and SME lending activities, as well as payment services (its "focus areas") and has placed the further development to digital banking at the core of its strategy. To properly answer and adapt to the dynamics within the IT and digitalization market, a limited decision-making committee to the Supervisory Board was formed.

The Digitalization and IT Committee supports the Supervisory Board in the supervision and support of the Management Board of Addiko Bank AG regarding Addiko Group's IT and Digitalization strategy, its current and future IT landscape, IT infrastructure, as well as digital business developments, approach and progress towards digitalization, open banking, partnerships and FinTech activities.

The committee is informed and involved as early as possible by the respective Management Board member regarding digitalization and IT projects, to enable the committee to properly report to the Supervisory Board about the impact of such projects on the current and/or future digitalization and IT structure of Addiko. The committee endorses projects and reports to the Supervisory Board for approval.

### Self-evaluation of the Supervisory Board Members

[C-36]

The statutory regulation according to which the Supervisory Board has to meet at least once every quarter is a minimum requirement. In addition, further meetings are to be held to the extent required. If necessary, items on the agenda can be dealt with the Supervisory Board and its committees without the participation of the Management Board members. The number of meetings of the Supervisory Board must be disclosed in the Corporate Governance report. On an annual basis, the Supervisory Board shall evaluate the efficiency of its activities as well as its organization and working methods (self-evaluation).

During the reporting year, the Supervisory Board conducted a self-evaluation of its activities in accordance with C Rule 36 ACGC on 24 January 2023. In line with the recommended self-assessment forms, the Supervisory Board of Addiko Bank AG, evaluated the efficiency of its activities, as well as organisation and work procedures.

## Management Board

### Management Board members of Addiko Bank AG as of 31 December 2022 and allocation of responsibilities

[C-16]

Name	Position	Year of birth	Date of first appointment	End of the mandate
Herbert Juranek	CEO	1966	01.05.2021	31.12.2025
Tadej Krašovec	CRO	1977	01.06.2021	01.06.2024
Ganesh Krishnamoorthi	CMO & CIO	1977	01.08.2020	31.07.2023
Edgar Flagg	CFO	1979	01.06.2022	30.05.2025



**Herbert Juranek**  
Chief Executive Officer (CEO)

Group Human Resources  
Board Office  
Group Legal and Board Affairs  
Group Treasury & ALM  
Group Audit, Group Compliance and AML<sup>4</sup>



**Tadej Krašovec**  
Chief Risk Officer (CRO)

Group Integrated Risk Management  
Group Model and Data  
Risk Stream Transformation and Development  
Group Credit Risk Management  
Group Banking Operations



**Ganesh Krishnamoorthi**  
Chief Market, IT & Digitalization Officer (CMO & CIO)

Group Consumer  
Group Marketing & Corporate Communications  
Group IT  
IT Application Development and Management  
Group SME  
Group Digital Product  
Group Digital Banking  
Group Business and Sales Controlling



**Edgar Flagg**  
Chief Financial Officer (CFO)

Group Financial Controlling  
Group Accounting and Reporting  
Investor Relations / Group Corporate Development

<sup>4</sup> Group Audit, Group Compliance and AML (organizationally embedded in the CEO stream but as independent function directly reporting to the entire Management & Supervisory Board)

Data Protection Office (organizationally embedded in Group Legal and Board Affairs), CISO function (organizationally embedded in Group Integrated Risk Management), ECB/SPOC (organizationally embedded in Group Integrated Risk Management) report directly to the entire Management Board.

## **Committees of the Management Board**

The following committees of the Management Board have been established in Addiko:

### **Group Credit Committee**

The Group Credit Committee is the highest credit authority on Management Board level for all loans/exposures not having “Watch List 2” status, nor being Non-Performing Exposure (NPE).

The Management Board delegates its approval right and voting right for limit and loan credit applications, for loans/exposures not having “Watch List 2” status, nor being Non-Performing Exposures, according to the currently valid internal regulations/policies to the committee.

### **Group Distressed Asset Committee**

The Group Distressed Asset Committee is the highest credit authority on Management Board level for loans/exposures having “Watch List 2” status or being Non-Performing Loans (NPL).

The Management Board delegates its approval right and voting right for loans/exposures having Watch List 2 status, or being Non-Performing Exposures, according to the currently valid internal regulations/policies to the committee

### **Group Risk Executive Committee**

The Group Risk Executive Committee is a strategic Group platform for the risk management and control function to discuss risk-relevant issues, risk methodology, current portfolio development, as well as to analyze recent topics and measures necessary to reach the risk related targets.

The Group Risk Executive Committee is an advisory board to the Management Board and gives recommendations with regards to risk relevant topics and coordinates reportings to the Supervisory Board. It may decide on recommendations only if all members of the Management Board are invited timely, no member objects and minimum of two members participate.

### **Group Governance Risk Compliance Committee**

The Group Governance Risk Compliance Committee provides an overview of important audit, legal, compliance and other ICS related topics and serves as a discussion and advisory forum on adequate mitigation and development measures.

As part of Addiko’s ESG strategy, this committee is also responsible to identify, assess and mitigate risks and opportunities with regards to environmental, social and governance aspects and steers the progress of Addiko’s sustainable development goals. Furthermore, it also ensures a structured discussion of these topics at Management and Supervisory Board level.

### **Group Outsourcing Committee**

The Group Outsourcing Committee is an advisory committee and was founded to enable the Management Board to take informed decisions on new and changed outsourcing requests as defined in the Outsourcing Policy and to effectively monitor, steer and oversee the outsourced activities.

Project requests will be discussed in the Group Outsourcing Committee, if their project budget is in the scope of Supervisory Board approval, or the project was qualified as high and very high risk according to internal policies and procedures.

### **Project Portfolio Steering Committee**

The Project Portfolio Steering Committee acts as decision-making body for approval of new group projects already budgeted up to the limit needing Supervisory Board approval or for projects to be closed. The committee oversees the performance of the group and local project portfolios and takes corrective actions, where needed.

**Group Asset and Liability Committee**

The scope of the Group Asset and Liability Committee is the steering of market and liquidity risk positions resulting from group assets and liabilities. Based on presented reports and proposals, members of the committee take decisions on material activities, with the aim of positioning the bank according to expectations of market and liquidity developments and optimize the balance sheet structure from a risk/return perspective.

## Information on the working procedures of the Management Board

[C-16]

In addition to the allocation of tasks and responsibilities within the Management Board, attachment 1 shows all transactions and measures exceeding the scope of section 95 (5) of the Austrian Stock Corporation Act and therefore, requiring the approval of the Supervisory Board.

## Supervisory Board mandates and comparable functions outside the Group

[C-16, C-26]

The following Management Board members hold further Supervisory Board mandates or perform a comparable function in a listed company. Members not listed do not hold comparable functions.

Name	Company	Mandate
Herbert Juranek	JuXelerate Investment GmbH	Managing Director & Owner
	Q-Advisers GmbH	Shareholder & Investor
	FS Beteiligungs GmbH	Proxy Holder

## Members of the Management Board and Supervisory Board of Addiko held mandates in following subsidiaries of Addiko Group as per 31 December 2022

### Management Board members

Name	Subsidiary	Corporate Body	Position
Herbert Juranek	Addiko Bank d.d. Croatia	Supervisory Board	Chair (as of 22.12.2021)
Ganesh Krishnamoorthi	Addiko Bank a.d. Serbia	Board of Directors	Chair (as of 23.11.2021)
Tadej Krašovec	Addiko Bank a.d. Banja Luka Bosnia and Herzegovina	Supervisory Board	Chair (as of 11.11.2021)
	Addiko Bank A.D. Montenegro	Board of Directors	Chair (as of 24.09.2021)
Edgar Flagg	Addiko Bank d.d. Slovenia	Supervisory Board	Chair (as of 15.09.2020)
	Addiko Bank d.d. Sarajevo Bosnia and Herzegovina	Supervisory Board	Chair (as of 15.12.2021)

### Supervisory Board members

Name	Subsidiary	Corporate Body	Position
Sava Ivanov Dalbokov	Addiko Bank d.d. Croatia	Supervisory Board	Deputy (from 23.12.2021- 31.12.2022)
	Addiko Bank a.d. Montenegro	Supervisory Board	Deputy (from 01.01.2022- 08.09.2022)
	Addiko Bank a.d. Serbia	Board of Directors	Deputy (from 10.03.2022- 03.11.2022)

## Contracts with Supervisory Board Members

[C-49]

In the financial year 2022, none of the members of the Supervisory Board was performing any services for Addiko Bank AG outside of their activity as member of the Supervisory Board.



## Measures taken to promote women on the Management Board, the Supervisory Board and in managerial positions

The Addiko Group Diversity and Inclusion policy - in alignment with EU directives - provides a structured process through which the bank defines diversity objectives and targets. The Supervisory Board reviews the diversity strategy and targets set during the annual review of the composition of the Management Board and the self-assessment of the Supervisory Board. Both, the strategy as well as the targets, define voluntary measures and initiatives that promote women on the Supervisory Board, Management Board and in senior management positions.

After the successful completion of the first 3-year Diversity and Inclusion Plan defined in 2019, in 2022 the new Addiko Group 3-year Diversity and Inclusion Plan was set, with clear measures and metrics to be achieved by year end 2024. The 2022-2024 Group Diversity and Inclusion Strategic Action Plan describes specific activities that will be rolled out from January 2022 through to December 2024, focused upon promoting diversity and inclusion across Addiko Group.

The plan consists of the following topics:

- i. Gender Balance Targets
- ii. Recruitment and Selection
- iii. Career Management
- iv. Learning and Development
- v. Remuneration
- vi. Benchmark and Implementation of Best Practices

In addition to the previously defined Gender Diversity Targets on Group level, the specific Gender Diversity Targets are now also defined individually on Addiko Bank AG level. The targets as defined by the end of 2026 are:

- sustain or increase the 20% female representation at the Addiko Bank AG Supervisory Board level,
- achieve the 20% female representation at the Addiko Bank AG Management Board level and
- sustain or increase the 50% female representation at the Addiko Bank AG senior management level (this target percentage of above 50% on senior management level was established because it also represents the internal pool of candidates considered as successors for the Management Board positions).

At the end of 2022, the number of female representatives in the Supervisory Board of Addiko Bank AG was 20% (Addiko Group 33.3%).

On Management Board level, following the successful implementation of programs that have been introduced in the previous period, two female colleagues were internally promoted to become members of the Management Boards at Addiko Bank Croatia and Addiko Bank Montenegro.

Considering the senior management level at Addiko Bank AG, three out of five senior managers appointed during 2022 are female and two of them were internally promoted.

## Women in the Management Board, Supervisory Board and managerial positions

[C-60]

Figure 3 Women in the Management Board, Supervisory Board and managerial positions per 31 December 2022

Function	Addiko Bank AG		Addiko Group <sup>5</sup>	
	Female no.	Female %	Female no.	Female %
Supervisory Board <sup>6</sup>	1	20%	10	33%
Management Board	0	0%	4	19%
Senior Management (B-1)	5	36%	51	48%

<sup>5</sup> Including, in addition to Addiko Bank AG, its subsidiaries Addiko Bank d.d. Croatia, Addiko Bank d.d. Slovenia, Addiko Bank a.d. Serbia, Addiko Bank d.d. Sarajevo, Addiko Bank a.d. Banja Luka and Addiko Bank A.D. Montenegro

<sup>6</sup> Excluding members of the works council at Addiko Bank AG since neither the shareholder nor the Supervisory Board have any influence on their selection

## Diversity Concept

### Promoting Diversity and Inclusion

Addiko Bank actively promotes diversity and inclusion by following through on the implementation of D&I initiatives and closely monitoring talent metrics related to male and female representation at leadership levels. As part of building an inclusive workplace, the focus is upon the roll out of talent development programs that build future leaders by promoting equal career opportunities for all employees in the Bank with focus on enhancing female C level representation. Solid progress has been made compared to the starting point in January 2019; However, continued efforts and roll out of planned measures will provide stronger measurement-based evidence of these efforts.

The Bank launched its second Group Diversity and Inclusion three-year plan (2022-2024) with initiatives that would establish the foundations and raise the bar in understanding the importance of Diversity and Inclusion at the modern workplace. The three-year gender targets that were set for the Management Board and Supervisory Board representation on the Addiko Group level were achieved. These targets have been achieved as a result of support from the managing bodies of Addiko Bank AG, as well as focused talent management. Further consistent attention will be required to achieve the newly set of three -year Diversity and Inclusion targets with a strong foundation in place. The Supervisory Board members across the Group reflect the wide aspects of Diversity and Inclusion regarding gender, age structure and nationality. All vacancies for managerial and leadership positions aim to include equal gender representation.

The principles of Diversity and Inclusion are embedded in Addiko Bank's corporate culture and can be seen in the way in which selection, recruitment, development, financial equity, talent discussions and internal promotion are conducted. The aim remains to strengthen and continue implementing good inclusive workplace benefits and practices that will leverage diverse internal and external talent, ensure financial equality, provide engaging career opportunities, and promote flexible working arrangements for employees.

### Diversity in the Supervisory Board

[L-52]

Aspects of diversity that are taken into consideration in the Supervisory Boards of Addiko are the representation of both genders, the age structure and the internationality (citizenship) of its members in the Holding and across the subsidiaries.

Figure 4.1 Age Structure of Addiko and Addiko Group as of 31 December 2022

Age Structure	Addiko Bank AG		Addiko Group	
	Supervisory Board members	ratio	Supervisory Board members	ratio
< 40 Y	0	0%	0	0%
40 - 49 Y	0	0%	13	43%
50 - 60 Y	4	80%	14	47%
> 60 Y	1	20%	3	10%

Figure 4.2 Gender of Addiko and Addiko Group as of 31 December 2022

Gender	Addiko Bank AG		Addiko Group	
	Supervisory Board members	ratio	Supervisory Board members	ratio
female	1	20%	10	33%
male	4	80%	20	67%

**Figure 4.3**      **Citizenship of Addiko and Addiko Group as of 31 December 2022**

Addiko Bank AG			Addiko Group		
Citizenship	Supervisory Board members	ratio	Citizenship	Supervisory Board members	ratio
Austria	4	80%	Austria	8	27%
Germany	1	20%	Bosnia and Herzegovina	5	17%
			Croatia	4	13%
			Serbia	4	13%
			Slovenia	4	13%
			Italy	1	3%
			Slovakia	1	3%
			Romania	1	3%
			Germany	1	3%
			Hungary	1	3%

## External Evaluation

Since an external evaluation on the compliance with the C-Rules of the Austrian Code of Corporate Governance Code (“ACGC”) is only required every three years pursuant to Rule C-62 ACGC, Addiko did not conduct an external review for the business year 2022 as the last external review was conducted by Deloitte Wirtschaftsprüfungs GmbH and CMS Reich-Rohrwig-Hainz Rechtsanwälte GmbH for the business year 2020.

Vienna, 07 February 2023

Addiko Bank AG

MANAGEMENT BOARD



Herbert Juranek  
(Chairman)



Tadej Krašovec



Ganesh Krishnamoorthi



Edgar Flagg

**Attachment 1: Transactions and measures exceeding the scope of section 95(5) Austrian Stock Corporation Act and, therefore, requiring the approval of Supervisory Board as of 31 December 2022**

Transaction		Threshold (single basis unless stated otherwise)	refers to
1.	Determination of general business policy, including (i) the definition of general principles of corporate policy as well as company's strategy, (ii) medium term plans for the company and the Group for the subsequent 5 financial years, (iii) the commencement or termination of business activities provided that such activities are material or outside the ordinary course of business, (iv) the establishment or closing of branches of the company's subsidiaries, provided that (a) this involves a major economic or financial impact to the company's subsidiary or (b) it refers to a branch in a country, different from the one this subsidiary is registered in	in any case	Group
2.	Allocation of responsibilities within the Management Board	in any case	ABH
3.	Granting power of attorney ( <i>Prokura</i> )	in any case	ABH
4.	Establishment and closing of branches of the company as well as changes to the overall organizational structure of the company, e.g. shifting of departments to other streams respectively responsibilities of another Management Board member.	in any case	ABH
5.	Conclusion of cooperation agreements with credit institutions and insurance companies	in any case	Group
6.	Annual budget of the company and the Group for the subsequent financial year.	in any case	Group
7.	Loans, limits and all credit relevant transactions according to the Group Credit Principles		Group
	The Management Board delegates to the Group Credit Committee (GCC) its approval right for all limit and loan applications and its voting right for limit and loan applications, which have to be finally approved in the Credit Committee of Supervisory Board (CC SB). The GCC informs the Management Board prior to submission to the CC SB and the members of the Management Board have the right to make applications to the CC SB.		
	The Supervisory Board delegates to CC SB all approval right for all limit and loan applications and its voting right for limit and loan applications.		
	Client applications submitted to CC SB for approval have to include all approvals made by GCC (and all lower approval authorities, if any) based on delegation of rights (exemptions), done in the period after last CCSB approval for respective client.		
a)	General authorities based on value limitations:		
	- Public Finance and Financial Institutions, Sovereigns/Sub-sovereigns - Rating 1E or better	> 50 MEUR or large exp.	
	- Public Finance and Financial Institutions, Sovereigns/Sub-sovereigns - Rating worse than 1E - PL and WL/NPL	> 30 MEUR or large exp.	
	- Corporate - PL and WL/NPL	> 15 MEUR or large exp.	
b)	Exemptions:		
ba)	any increase/change of exposure up to 100TEUR "on top" of existing exposure		
bb)	increase of existing exposure:		
	- up to 10 % of GCC approval rights for Corporate and SME clients,		
	- additionally, up to 10 % of GoB exposure for Corporate and SME clients if specific increase is fully cash collateralized,		
	provided that (i) maturity of 3 years (if not fully cash covered) will not be exceeded and (ii) no material deterioration of credit quality will be created by specific decision (max. 3 rating notches)		

Transaction		Threshold (single basis unless stated otherwise)	refers to
bc)	waiver on fulfilment of specific conditions or change of price terms, in each case as set forth in the credit agreement		
bd)	prolongation of (i) review date up to 3 months or (ii) maturity date, including change of repayment schedule, up to 12 months		
be)	write off of interests/fees not recoverable and fully provisioned		
bf)	conclusion of a standstill agreement up to 6 months but not longer than 3 months after maturity date		
bg)	contract cancellation and/or starting a lawsuit to enforce exposure collection		
bh)	changes in collateral unless such change causes deterioration of more than 10 % internal collateral value (methodological changes which trigger ICV deterioration are not to be considered by CC SB); collateral rights have to remain legally valid		
bi)	collateral sale/release up to a collateral value of up to €m 1, if financial offset corresponds to internal collateral value or falls below up to €t 50		
c)	All limit and loan applications achieving respectively exceeding the large exposure limits pursuant to section 28b BWG in conjunction with Art 392 of Regulation (EC) No. 575/2013 ( <i>CRR</i> ) require the prior approval of the CC SB.		
8.	Intragroup limits to affiliated companies referring to any kind of exposure/investment	in any case	Group
9.	In relation to a subsidiary (i) the establishment, reorganisation (in terms of merger or spin-off) and liquidation of a subsidiary, (ii) equity capital measures (especially - but not limited to - debt to equity swaps) relating to a subsidiary, and (iii) purchase (including those from capital increase measures), sale and pledge of shares of a subsidiary and <i>provided further</i> that in each such case the Supervisory Board shall be informed without undue delay irrespective of the applicable threshold.	> 5 MEUR transaction value	Group
10.	Purchase, sale and mortgaging/pledging of assets	> 5 MEUR transaction value	Group
11.	Guarantees and warranty commitments	> 100 MEUR	Group
12.a	Issuing, repurchasing, changing of terms, or early redemption of regulatory capital instruments	in any case	Group
b	Regarding issuing, repurchasing, changing of terms or early redemption of regulatory capital instruments in local banks.	> 10 MEUR	Group without ABH
13.	Issuance of other, non-regulatory capital instruments (e.g. bonds, including <i>Schuldscheindarlehen</i> , covered bonds, equity linked instruments, etc.)	in any case	Group
14.	Borrowing monies for a term of more than one year (e.g., interbank funding)	> 100 MEUR	Group
15.	Operational expenses / capital expenditures calculated on an aggregate basis for the entire project/transaction other than (i) personnel costs, (ii) OPEX resulting from existing continuing obligations or (iii) already approved in the annual budget or (iv) the continuation or renewal of existing services at materially similar terms in the ordinary course of business	> 0,5 MEUR	Group
16.	Approval of taking over any executive, advisory or supervisory function by a member of the Management Board or by a Managing Director (B-1) in a political party, a private/public enterprise outside the Group or a (business-related) non-profit organization	in any case	ABH
17.	Transactions pursuant to section 28 BWG or section 80 AktG relating to persons outlined in section 28 BWG and section 80 AktG ( <i>Persons Concerned</i> <sup>7</sup> ). No credits shall be granted to members of the Management Board, the Supervisory Board or executives of the company, as well as their relatives, other than	in any case	Group

<sup>7</sup> Persons Concerned are company's members of the executive board, members of the supervisory board and executives of the company, legal representatives and senior executives in its subordinate and superordinate undertakings as well as the relatives of the persons indicated before and third parties acting for the account of a person indicated before.



Transaction		Threshold (single basis unless stated otherwise)	refers to
	to members of the Management Board and the Supervisory Board who may obtain credit cards or limits on any other current accounts up to €t 5, provided that the requirements in section 28 BWG are fulfilled. This shall also apply to any major transactions concluded by company's subsidiaries that are of relevance to the Group.		
18.	Entering into agreements with members of the Supervisory Board through which they undertake to provide services to the company or a subsidiary.	in any case	ABH
19.	Contracts with the auditor on additional consulting or other services which do not bear a direct relationship to auditing of the annual financial statements	in any case	ABH
20.	Definition of principles for remuneration systems (fixed and variable remuneration components) including the granting of participations in profit and sales and guaranteed pension payments to executives within the meaning of section 80 (1) AktG, taking into account section 39b BWG	in any case	ABH
21.	Granting options on company shares to employees and executives of the company or a company's subsidiary as well as to members of the Management and Supervisory Board of Group companies, as well as definition of principles for granting of participations in profit and sales and guaranteed pension payments.	in any case	ABH
22.	Transactions of related parties within the meaning of Regulation (EC) No 1606/2002	>5% consolidated balance sheet	Group