

Policy

Diversity of Management Body and Senior Management in NLB d.d.
Version 4, General Internal Document

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Chronology of Amendments

Version	Date	Description
1.	May 2016	Preparation of policy for the Supervisory Board
1.	June 2016	Policy adoption at the General Meeting
2.	March 2019	Preparation of amendments to the Policy for the Supervisory Board of NLB d.d. The amendments to this policy expand the group of persons bound by it, set the starting points and the goals of the policy and their pursuit.
2.	June 2019	Policy adoption at the General Meeting
3.	March 2022	Amendments to the Policy in line with JST's recommendations, amendments to Companies Act (ZGD-1K), amendments to Banking Act (ZBan-3), EBA and ESMA Guidelines on assessing the suitability of members of the management body and holders of key functions, amendments to the Slovenian Corporate Governance Code, EBA Guidelines on Internal Governance
	June 2022	Policy adoption at the General Meeting
4.	April 2025	Amendments due to the amendment of the Companies Act (Slov. ZGD-1M) and the Slovenian Corporate Governance Code
	June 2025	Policy adopted at the General Meeting

Introduction

Purposes and scope

The Policy on Diversity of Management Body and Senior Management in NLB d.d. (hereinafter: Diversity Policy) establishes the Bank's commitments to promoting diversity in the composition of its Supervisory Board, Management Board and senior management. This Policy outlines specific goals and the method of implementation to ensure diversity is effectively integrated.

The Diversity Policy defines the target diversity for representation on the Supervisory Board, Management Board and among senior management, considering factors such as gender, age, professional competencies, continuity in composition of individual bodies, international experience, geographical background, and other personal attributes. These diversity objectives are tailored to align with the Bank's specific characteristics and strategic needs.

The establishment and implementation of a well-structured policy for selecting suitable candidates play a crucial role in fostering diversity within the management body. This includes ensuring adequate gender representation to enhance the presence of the underrepresented gender while also defining the requirements for each function - including the required profile of management body members - prior to their appointment.

These selection criteria are designed to promote a broad range of perspectives and expertise essential for understanding current developments, long-term risks, and opportunities related to the company's operations. They take into account factors such as the size of the Bank and banking group as well as both the Management Board and Supervisory Board, regional presence, business strategy and the systemic importance of the bank.

The process for selecting and appointing members of the Management and Supervisory Boards is further elaborated in the Policy on Selection of Suitable Candidates for Members of Supervisory Board and Policy on Selection of Suitable Candidates for Members of Management Board. Together with this Diversity Policy, these frameworks ensure that the management body, as a whole, possesses the knowledge, skills, and experience necessary to thoroughly understand the Bank's strategy, challenges, and risk exposure.

Diversity within the management body and among senior management fosters a variety of perspectives, mitigates the risk of 'groupthink,' and facilitates well-balanced decision-making, effective risk management, and overall improved performance and efficiency of the Bank. In assessing the optimal diversity profiles required for the management body, considerations include the nature and complexity of the Bank's operations, as well as the broader social and environmental context in which it operates. This approach is also applied to key function holders within the organization.

Furthermore, the Bank has implemented a structured process for assessing the suitability of management body members and key function holders. This includes a defined self-assessment of the collective suitability of the management body (defined in more detail in the **Policy on Assessment of Suitability of Management and Supervisory Board Members of Nova Ljubljanska banka d.d. and Policy on Assessment of Key Position Holders in NLB d.d.**), enabling the Bank to identify any gaps in its composition. This process ensures that the management body and senior leadership collectively maintain a comprehensive range of knowledge, skills, and experience. Notably, alignment with the diversity objectives outlined in this Diversity Policy is recognized as a fundamental component of the management body's collective suitability.

1. Starting Points

This Diversity Policy sets out the following:

- a) the Diversity Policy holder is the Nomination Committee of the NLB Supervisory Board, and the Diversity Policy administrator is Human Resources and Organization Development;
- b) activities of the Supervisory Board for the implementation of the Diversity Policy: drafting candidates for membership in the Supervisory Board for the General Meeting, appointing members of the Management Board and assessing the composition of the Management Board, self-assessing the Supervisory Board and assessing the composition of the Supervisory Board;
- c) selection of the diversity aspects relevant to the Bank and a clarification why they were chosen.

2. Diversity Aspect and Diversity Policy Objectives and How to Implement Them

By implementing the principle of equal opportunities, preventing discrimination, maximising potential and promoting diversity as a strategic advantage, the Diversity Policy aims to foster the Management Board and Supervisory Board composition that ensures a broad spectrum of skills, competences, expertise and experience. This diversity enhances the effectiveness of both governance bodies, contributing to the overall success and performance of the Bank.

The Bank strives to achieve gender balance among the Management Board and Supervisory Board members in a way that this aspect is considered by:

- the Supervisory Board when selecting a candidate for a member of the Supervisory or Management Board,
- the President of the Management Board when proposing candidates for the Management Board to the Supervisory Board,

to ensure at least a **40% representation of the underrepresented gender** among members of the Supervisory Board. The Bank also defines the share of representation of the underrepresented gender on the Management Board. This is defined in more detail in Attachment 1 to this Policy.

Considering the size of the Bank and NLB Group and their regional presence and business strategy, the following aspects and targets are important to ensure diversity:

1. gender diversity
2. age structure / generational diversity
3. professional competencies, skills and experience
4. continuity of composition of the management body and senior management
5. representation of foreign nationals and international experience
6. personal integrity
7. geographical provenance

2.1. Gender Diversity

The balanced representation of both genders is ensured in such a way that all stakeholders in the selection process strive to form an appropriate group of candidates in the recruitment process, taking into account appropriate representation of the less represented gender and a suitable representation of both genders in line with the objectives of this Policy.

2.2. Age Diversity / Generational Diversity

Achieving diversity in the age structure is ensured by reflecting the target age structure as much as possible and by using the recruitment channels enabling the attraction of a sufficiently wide range of candidates of different ages, so that all age groups are represented in the management body and senior management. An appropriate ratio of younger to older members of the management body or the age structure of senior management must be taken into account when appointing new candidates. For this purpose, a goal has been set together with the period for achieving this goal.

2.3. Professional Competencies, Skills and Experience

Members who are selected must have experience in finance, law and corporate governance, they must be familiar with the Bank's activities, have management skills and experience in risk management. The management body must cover an adequately wide range of knowledge, skills and professional experience with its members, and be composed in line with the following criteria: experience, reputation, management of potential conflicts of interest, independence, available time and collective suitability of the body as a whole. The above-mentioned requirements apply mutatis mutandis to the senior management. For this purpose, a goal has been set together with the period for achieving this goal. The procedure for assessing these criteria and the criteria used for this is defined in more detail in the **Policy for the Assessment of Suitability of the Management and Supervisory Board Members of NLB d.d. and the Policy for the Assessment of the Suitability of Key Position Holders of NLB d.d. and the NLB Group**.

2.4. Continuity of Composition of Management Body and Senior Management

Adequate continuity in the composition of the management body and senior management must be ensured, maintaining a suitable ratio between the existing and new members of the management body and senior management. Continuity is ensured by not changing all members of the management body or senior management at the same time and by ensuring the transfer of experience and knowledge among them. For this purpose, a goal has been set together with the period for achieving this goal.

2.5. Representation of Foreign Nationals and International Experience

An appropriate proportion of members in the management body and senior management with international experience in different areas is to be ensured, especially where there is a gap (e.g. foreign nationals and Slovenians acting in business abroad). For this purpose, a goal has been set together with the period for achieving this goal, in line with the relevant policies for selecting a suitable candidate.

2.6. Personal Integrity

The management body and senior management members must have a high level of personal integrity whereby integrity means actions and responsibility expected of individuals and organizations to prevent and eliminate risks of using powers, function, authority or other decision-making power contrary to the law, goals that are legally allowed and in accordance with the guidelines defined in the **NLB Group's Code of Conduct**.

2.7. Geographical Provenance

Considering the Bank's presence on foreign markets, we make sure that management body members come from different geographical regions, as this ensures that at collective level the management body has a suitable knowledge of the culture, market characteristics and legal framework in the areas operated by the Bank.

3. Diversity Policy Implementation

The following Bank's bodies strive to comply with the diversity aspects and goals as laid down in this Policy and in particular in Attachment 1 hereunder:

- when **nominating members to the Management Board:**
 - o Supervisory Board and the Nomination Committee of the Supervisory Board of NLB d.d.
 - o President of the Management Board when proposing a person or other members of the Management Board to the Supervisory Board
- when **nominating members to the Supervisory Board:**
 - o shareholders
 - (i) when adopting this Diversity Policy at the General Meeting of NLB d.d.
 - (ii) when formulating the proposed resolution for the General Meeting of NLB d.d. for a candidate to become a member of the Supervisory Board, and
 - (iii) when making decisions on the nomination of members of the Supervisory Board who represent the shareholders' interests,
 - o the Supervisory Board and the Nomination Committee of the Supervisory Board of NLB d.d. when selecting candidates for members of the Supervisory Board and formulating the proposed resolution for the General Meeting of NLB d.d. to nominate a candidate for a member on the Supervisory Board representing the shareholders' interests.
 - o In the nomination procedure of members of the Supervisory Board representing workers' interests, the NLB Workers' Council is obliged to ensure at least a 33% representation of the underrepresented gender, unless there is no one of the underrepresented gender available at the time of nomination.
- when **nominating members of the Senior Management:**
 - o the Management Board when selecting candidates for the senior management and their appointment.

4. Measures to Achieve Diversity

In order to achieve the objectives of Diversity Policy, the following measures shall be used:

- upon the appointment of new candidates or re-appointment of the members of the Supervisory Board and Management Board, taking into account the Diversity Policy on the selection of suitable candidates for members of the Supervisory Board and the Policy on the selection of suitable candidates for members of the Management Board. The above applies mutatis mutandis upon the appointment and re-appointment of the Bank's senior management;
- pre-definition of the criteria and conditions of the selection procedure for appointing a candidate for each function, including the required profile of the members of the management body, even before they are appointed, in accordance with the Policy on the selection of suitable candidates for members of the Supervisory Board and the Policy on the selection of suitable candidates for members of the Management Board;

- when searching for a suitable candidate member for a management body, using various recruitment pathways as defined by the Policies from indent 1 of this item, establishing clear, neutral and unambiguous criteria and conditions for the selection procedure for the nomination of a member of a management or supervisory body or senior management that must be followed throughout the entire selection candidate nomination procedure for a vacancy;
- if the target gender representation is not achieved in a certain body and two candidates for the position of a member of the Management Board or a member of the Supervisory Board meet all the required tender criteria in the application procedure and the prescribed criteria and conditions of the selection procedure, the candidate of the underrepresented gender must be selected; except in exceptional cases where, for objectively justified reasons, such as compliance with the diversity policy based on other personal circumstances, preference should be given to a candidate of the opposite sex, which must be specifically justified by the company (e.g., professional experience in management or supervisory tasks, international experience, multidisciplinary, leadership, communication skills, networking skills and knowledge of specific relevant areas such as finance, financial control or human resources management);
- to achieve the aspects of diversity and target representation of the Management Board through a pre-defined succession plan approved by the Supervisory Board;
- considering the objectives of the Diversity policy when assessing the collective suitability of management and supervisory bodies.

5. Diversity Policy Implementation Monitoring and Reporting

The administrator of the Diversity Policy prepares the report on the assessment of the meeting of the objectives of the Diversity Policy for the Nomination Committee of the Supervisory Board of NLB d.d., which then reviews the Policy and its implementation once a year and prepares proposals for its improvement.

The evaluation of the set goals during the annual review is documented in the form of a self-assessment in accordance with paragraph 1 of Item 6 of this Policy, prepared by the Nomination Committee of the Supervisory Board of NLB d.d. following the proposal by the expert department, and adopted or approved by the Supervisory Board. If individual Diversity Policy objectives have not been met, the assessment shall state the reasons why they have not been met, measures to be implemented by the Bank or its competent body, and the timeframe within which they are to be implemented.

The suitability of the Diversity Policy is assessed on an annual basis, but the Supervisory Board may, during the annual self-assessment of the Supervisory Board or the assessment of the work of the Management Board, assess whether the Diversity Policy is still appropriate in view of the Bank's actual needs regarding the composition of the Management Board and the Supervisory Board and propose an update of the Policy.

6. Reporting on Meeting Diversity Policy Objectives and Other Requirements

In order to monitor the implementation of the Diversity Policy, it is important that in accordance with Articles 70 and 254.e of the Companies Act (Slov. ZGD-1) it is appropriately presented in the business report of the annual report of the NLB Group and the Corporate Governance Statement of NLB d.d., namely:

- a description of the Diversity Policy implemented in relation to representation in the Bank's management body from the aspect of gender, by stating the ratios of both genders in management and/or supervisory bodies and other aspects such as age, education and work experience,

- statement of objectives,
- a description of the gender representation ratios in the management body
- a description of the measures adopted to achieve the gender representation ratios
- the reasons in case the ratios were not achieved, with a description of measures taken or planned by the Bank to achieve them
- the method of implementation, and
- the results achieved by the Diversity Policy during the reporting period.

The Bank publishes the information from the preceding paragraph on its website as part of the Annual Report.

In the NLB Corporate Governance Statement, the Bank must explain any deviations from the recommendations of the Slovenian Corporate Governance Code in the part referring to diversity, which is the reference framework for the Bank in this area in line with the international guidelines for the role of various commissions, shareholder information and, if the diversity objectives have not been met, by when it is planned to meet them.

If the Diversity Policy is not implemented in the Bank, this shall be stated in the NLB Corporate Governance Statement.

The NLB Corporate Governance Statement is published in the Business Report of the NLB Group Annual Report (www.nlb.si/financna-porocila), as well as in the form of a separate statement on the Bank's website (www.nlb.si/korporativno-upravljanje).

Pursuant to Chapter 8 of Regulation (EU) no. 575/2013, the Bank must also state in the Disclosure Report under the 3rd pillar of Basel standards how the Diversity Policy was implemented and define the extent to which the objectives per category have been achieved. If any of the goals has not been achieved, the reasons for that or the measures taken to achieve the goal within a certain period of time shall be stated.

7. Transitional and Final Provisions

This Diversity Policy shall enter into force on the day it is adopted by the General Meeting of Shareholders of NLB d.d., upon prior approval by the Supervisory Board of NLB d.d. On the day this Diversity Policy enters into force, the Policy on Diversity of Management Body and Senior Management, Version 3, approved at the General Meeting of NLB d.d. on 20 June 2022, shall cease to apply.

This Diversity Policy shall be published in the Register of internal documents in the application EDMS_OfficePoint and on the Bank's website.

8. Reference documents

- Articles of Association of NLB d.d. Ljubljana;
- Banking Act (Official Gazette of the RS, no. <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2021-01-1971>, [123/21](#) – ZBNIP and [2/25](#) - CC dec.) 92/21 Companies Act Official Gazette of the RS, no. [65/09](#) – official consolidated text, [33/11](#), [91/11](#), [32/12](#), [57/12](#), [44/13](#) – CC. dec., [82/13](#), [55/15](#), [15/17](#), [22/19](#) – ZPosS, [158/20](#) – ZIntPK-C, [18/21](#), [18/23](#) – ZDU-1O, [75/23](#) and [102/24](#) Slovenian Corporate Governance Code for Listed Companies (Slovenian Directors' Association and the Ljubljana Stock Exchange, applicable since 01/01/2025);
- Regulation of the Bank of Slovenia on internal management arrangements, management body and the internal capital adequacy assessment process for banks and savings banks (Official Gazette of the RoS, no. 115/2021);
- Directive 2014/65/EU of the European Parliament and Council of 15 May 2014 on markets in financial instruments;
- EBA Guidelines on Internal Governance (EBA/GL/2021/05, 02/07/2021),
- Decision on the application of the Guidelines on internal governance (Official Gazette of the RS, 184/2021);
- ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2021/06);
- Regulation on the application of Guidelines on the assessment of the suitability of members of the management body and key function holders (Official Gazette of the RoS, no. 184/2021);
- Policy on the selection of suitable candidates for members of the Supervisory Board of NLB d.d.;
- Policy on the selection of suitable candidates for members of the Management Board of NLB d.d.;
- Policy on assessing the suitability of the Management and Supervisory Board members of Nova Ljubljanska banka d.d., Ljubljana;
- Guidelines - Corporate Governance Principles for Banks – Basel Committee on Banking Supervision, Bank for International Settlements, July 2015.

9. Statement about Alignment and Approval of Internal Document

»The person who prepared the internal document hereby ensures that the internal document was submitted for review, alignment and approval to all organisational units in the Bank which are affected by the proposed internal document, or its amendments, and they approved it. The internal document is aligned with them in a way that its content is clear, compliant with other internal documents of the Bank and not in conflict with other internal documents of the Bank.«

Preparation and Review

Name and surname	Prepared/Reviewed by
Mojca Cigler Human Resources and Organisation Development	Prepared by
Aleksandra Hrovatin, Manja Kerstein Legal and Secretariat	Prepared by
Vesna Vodopivec, Assistant to the Management Board Human Resources and Organisation Development	Reviewed by
Rok Praprotnik, Director Compliance and Integrity	Reviewed by
Jan Geiger, Director Legal and Secretariat	Reviewed by

Competent Body which adopted the document: Supervisory Board of NLB d.d. and General Meeting of NLB d.d.

Ljubljana,

Primož Karpe
Chairman of the Supervisory Board

ATTACHMENT 1 – Diversity Policy Objectives

1. Supervisory Board

Objective	2025	2026	2027	2028	2029
Share of the underrepresented gender	40%	40%	40%	40%	40%

Objective		2025	2026	2027	2028	2029
Age structure / generational diversity	31-40 years	0	0	0	0	0
	41-50 years	1	1	1	2	2
	51-60 years	6	6	6	5	5
	61+ years	3	3	3	3	3

Objective	2025	2026	2027	2028	2029
Professional competencies, skills and experience	H	H	H	H	H

H - high (71% - 100%)

MH - medium high (51% - 70%)

ML - medium low (31% - 50%)

L - low (<30%)

Objective	2025	2026	2027	2028	2029
International experience	MH	MH	MH	MH	MH

H - high (71% - 100%)

MH - medium high (51% - 70%)

ML - medium low (31% - 50%)

L - low (<30%)

Objective	2025	2026	2027	2028	2029
Continuity of composition of the management body	H	H	H	H	H

H - high (71% - 100%)

MH - medium high (51% - 70%)

ML - medium low (31% - 50%)

L - low (<30%)

Objective	2025	2026	2027	2028	2029
Personal integrity	H	H	H	H	H

H - high (71% - 100%)

MH - medium high (51% - 70%)

ML - medium low (31% - 50%)

L - low (<30%)

Objective	2025	2026	2027	2028	2029
Geographical provenance	MH	MH	MH	MH	MH

H - high (71% - 100%)

MH - medium high (51% - 70%)

ML - medium low (31% - 50%)

L - low (<30%)

2. Management Board

Objective	2025	2026	2027	2028	2029
Share of the underrepresented gender	14%	14%	14%	14%	14%

Objective		2025	2026	2027	2028	2029
Age structure / generational diversity	31-40 years	0	0	0	0	0
	41-50 years	2	1	1	1	1
	51-60 years	5	6	6	6	6
	61+ years	0	0	0	0	0

Objective	2025	2026	2027	2028	2029
Professional competencies, skills and experience	H	H	H	H	H

H - high (71% - 100%)
 MH - medium high (51% - 70%)
 ML - medium low (31% - 50%)
 L - low (<30%)

Objective	2025	2026	2027	2028	2029
International experience	MH	MH	MH	MH	MH

H - high (71% - 100%)
 MH - medium high (51% - 70%)
 ML - medium low (31% - 50%)
 L - low (<30%)

Objective	2025	2026	2027	2028	2029
Continuity of composition of the management body	H	H	H	H	H

H - high (71% - 100%)
 MH - medium high (51% - 70%)
 ML - medium low (31% - 50%)
 L - low (<30%)

Objective	2025	2026	2027	2028	2029
Personal integrity	H	H	H	H	H

H - high (71% - 100%)
 MH - medium high (51% - 70%)
 ML - medium low (31% - 50%)
 L - low (<30%)

Objective	2025	2026	2027	2028	2029
Geographical provenance	MH	MH	MH	MH	MH

H - high (71% - 100%)
 MH - medium high (51% - 70%)
 ML - medium low (31% - 50%)
 L - low (<30%)

3. Senior Management

Objective	2025	2026	2027	2028	2029
Share of the underrepresented gender	45%	45%	45%	45%	45%

Objective		2025	2026	2027	2028	2029
Age structure / generational representation	21-30 years	0	0	0	0	0
	31-40 years	up to 10%	up to 10%	up to 10%	up to 10%	up to 10%
	41-50 years	up to 40%	up to 40%	up to 40%	up to 40%	up to 40%
	51-60 years	up to 40%	up to 40%	up to 40%	up to 40%	up to 40%
	61+ years	up to 10%	up to 10%	up to 10%	up to 10%	up to 10%

Objective	2025	2026	2027	2028	2029
Professional competencies, skills and experience	H	H	H	H	H

H - high (71% - 100%)

MH - medium high (51% - 70%)

ML - medium low (31% - 50%)

L - low (<30%)

Objective	2025	2026	2027	2028	2029
International experience	MH	MH	MH	MH	MH

H - high (71% - 100%)

MH - medium high (51% - 70%)

ML - medium low (31% - 50%)

L - low (<30%)

Objective	2025	2026	2027	2028	2029
Continuity of the composition of senior management	H	H	H	H	H

H - high (71% - 100%)

MH - medium high (51% - 70%)

ML - medium low (31% - 50%)

L - low (<30%)

Objective	2025	2026	2027	2028	2029
Personal integrity	H	H	H	H	H

H - high (71% - 100%)

MH - medium high (51% - 70%)

ML - medium low (31% - 50%)

L - low (<30%)

Objective	2025	2026	2027	2028	2029
Geographical provenance	L	L	L	L	L

H - high (71% - 100%)

MH - medium high (51% - 70%)

ML - medium low (31% - 50%)

L - low (<30%)