



**НИС а.д. Нови Сад / NIS j.s.c. Novi Sad**  
**Народног фронта 12 / Narodnog Fronta 12**  
**ОДБОР ДИРЕКТОРА/ BOARD OF DIRECTORS**  
**КОМИСИЈА ЗА ИМЕНОВАЊА / NOMINATION COMMITTEE**  
**Број (No): 85-1/OD-iz/XXXII-3b**  
**Датум (Date): 11.03.2025**

Pursuant to the Article 412 Paragraph 1 Item 3 of the Law on Commercial Entities (Official Gazette of the Republic of Serbia No 36/2011, No 99/2011, 83/2014 – other law, 5/2015, 44/2018, 95/2018, 91/2019 and 109/2021), Article 9 Item 9.12 of Articles of Association of NIS j.s.c. Novi Sad (hereinafter referred to as the Company or NIS j.s.c. Novi Sad or NIS) No. 70/SA-od/XIV-10a dated 29.06.2022 (consolidated text) and Articles 15 and 17 of Rules of Procedure of the Board of Directors and Committees of the Board of Directors of NIS j.s.c. Novi Sad No 85/1-3a dated 25.06.2012, the Nomination Committee of the Board of Directors of NIS j.s.c. Novi Sad (hereinafter referred to as the Nomination Committee) hereby presents the following

**REPORT**

**ON SUITABILITY OF THE COMPOSITION OF BOARD OF DIRECTORS AND NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS OF NIS J.S.C. NOVI SAD TO THE NEEDS OF NIS J.S.C. NOVI SAD**

**Subject of the Report:** *Assessment of compliance of the composition of the Board of Directors of NIS j.s.c. Novi Sad (hereinafter referred to as Board or BoD) and the number of its participants to the requirements of NIS j.s.c. Novi Sad taking into account the provisions of paragraph 5.1 of clause 5 of the Corporate Governance Code of NIS j.s.c. Novi Sad.*

The sufficiency of the composition and the number of members of the Board of Directors of NIS for the Company's needs was assessed based on the following criteria offered by B1 – Consult LLC that were developed in course of their cooperation with numerous clients:

- Independence of each Board member;
- Board diversity (personalities, gender diversity);
- Education of Board director members
- Necessary expertise, knowledge and skills in a specific economic sector – oil and gas sector (vast technical skills, experience in different organizations, including state bodies and oil companies, etc.);
- Best practice of petroleum companies (the Board size ranges between 8 and 15 Board members, with an average of 12 Board members).

At the XVI Ordinary Meeting of Shareholders' Assembly of NIS j.s.c. Novi Sad that was held on 27.06.2024, 11 members of the BoD were elected, which meets the requirements of the NIS Articles of Association.

NIS j.s.c. Novi Sad has a one- tier Board of Directors consisting of 11 members i.e. foreseen positions included:

- Chairman of BoD is non-executive member of BoD;
- 1 executive member of BoD is General Director of NIS j.s.c. Novi Sad;
- 7 non-executive members of BoD;
- 2 non-executive members of BoD which at the same time are independent members of BoD

Board of Directors has established the following Committees:

- Nomination Committee;
- Remuneration Committee;

- Audit Committee.

Therefore the size of the Board of Directors of NIS is consistent with the practices of major European petroleum companies.

Current composition of the Board of Directors of NIS possesses the knowledge of audit, finance, economics, strategic management, taxation, marketing, trading crude oil and derivatives, sales and distribution.

Members of NIS Board of Directors have international ACCA qualification, MBA, CMA.

The composition of NIS BoD is in compliance with the criterion of selection and engagement of BoD members with a working experience in state sector and oil and gas sector.

The Board of Directors is inclusive of both men and women.

Based on a thorough and detailed analysis and the aforementioned information, it may be concluded that the composition of NIS Board of Directors is consistent with the needs of corporate management of NIS j.s.c. Novi Sad and principles indicated in the Article 5 Paragraph 5.1 of the Corporate governance code of the Company.

Председник Комисије за именовања / Chairman of the Nomination Committee

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Драгутин Матановић / Dragutin Matanovic  
(потпис и печат) / (signature and seal)