

Pursuant to Article 39 of the Articles of Association of Privredna banka Zagreb d.d. (hereinafter: the Bank) and Article 277 of the Companies Act, the Management Board of the Bank at its meeting held on 16 June 2020 made the Decision on calling of the Annual General Meeting of the Bank, in accordance with which it sends the following

**I N V I T A T I O N**  
**T O T H E A N N U A L G E N E R A L M E E T I N G**

of **Privredna banka Zagreb d.d.**, Zagreb, Radnička cesta 50, which will be held on **21 July 2020**, beginning at **11.00 a.m.**, at the Bank's premises in Zagreb, Radnička cesta 44 B1 – 8<sup>th</sup> floor.

At the Annual General Meeting of the Bank, the shareholders shall consider the following

**A G E N D A**

1. The Supervisory Board Report on supervision exercised over the conduct of business affairs in the Bank in 2019
2. Annual financial statements of the Bank and consolidated annual financial statements for 2019 (confirmed by the Management Board and the Supervisory Board of the Bank), and Annual Management Board Report of Condition of the Bank and its Subsidiaries, and in this regard:
  - 2.1 Decision on the allocation of the Bank's profit earned in 2019
  - 2.2 Decision on granting the approval of action to members of the Management Board of the Bank for the year 2019
  - 2.3 Decision on granting the approval of action to members of the Supervisory Board of the Bank for the year 2019
3. Decision on the appointment of the external auditor who shall conduct the audit of the Bank's financial statements for the year 2020
4. Decision on the suitability of members of the Supervisory Board of the Bank based on the regular suitability assessment
5. Decision on the suitability of candidates for members of the Supervisory Board of the Bank
6. Decision on the election of two members of the Supervisory Board of the Bank
7. Decision on on the acceptance of the ratio between variable and fixed components of the remuneration for 2019

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**Ad 1)**

The Supervisory Board of the Bank hereby submits to the Annual General Meeting the following

**R E P O R T**  
**on supervision exercised over the conduct of business affairs**  
**in Privredna banka Zagreb d.d. in 2019**

I.

In 2019 the Supervisory Board of the Bank performed its duties as a body composed of seven members. Following the resignation of Mr Giovanni Boccolini, Mr Ignacio Jaquotot was elected as president of the Supervisory Board, effective 24 April 2019. In the course of the year, Mr Branko Jeren, Mr Paolo Sarcinelli, and Mr Christophe Velle, members of the Supervisory Board of the Bank, embarked on another three-year term of office. It was estimated that two members of the Supervisory Board meet the independence criteria, as laid down by the Credit Institutions Act, the CNB Decision on the assessment of the suitability of the chairperson of the management board, members of the management board, members of the supervisory board and key function holders in a credit institution, and the Corporate Governance Code accepted by the Bank. The number is deemed to be sufficient for the functioning of the Supervisory Board and its committees in line with the provisions of valid regulations.

II.

In the course of 2019 the Supervisory Board held 20 meetings with physical presence of members, via electronic means of communication, or by letter in cases of utmost urgency when calling a meeting with physical presence of members was not possible for objective reasons. Four regular meetings that considered financial reports were held within the deadlines prescribed by law and the Bank's Articles of Association. Members of the Management Board regularly attended Supervisory Board meetings. As required by law, meetings were also attended by persons responsible for the operation of individual control functions.

The Management Board and the Supervisory Board acted in line with valid legal regulations governing their competence and roles and in line with the Articles of Association of the Bank.

Acting in conformity with the law, the Articles of Association of the Bank, as well as its Rules of Procedure, the Supervisory Board of the Bank supervised the conduct of the Bank's affairs, established the guidelines for the Bank's business policy, and actively contributed to its implementation, all on the basis of the reports of the Management Board on issues of importance for the conduct of business affairs and the condition of the Bank.

The Management Board provided the Supervisory Board with duly prepared, true, and timely reports on business policy and on other general issues related to the future conduct of business, financial plans, risk management strategies and policies, operational profitability, course of business as well as income and the condition of the Bank, and other important issues. The Management Board of the Bank submitted financial reports on a quarterly, semi-annual, and annual basis and regularly discussed their implementation with the Supervisory Board. The internal audit and the risk control function (in terms of credit, operational, and financial risks) submitted their statutory quarterly reports in a timely manner. Reports on the work of the risk control functions and the compliance function were submitted and considered semi-annually.

In accordance with the law, the Articles of Association of the Bank and its own decisions, the Supervisory Board gave consent to decisions regarding the Bank's exposure to clients/groups of connected clients. It also gave consent to basic business documents: the budget for 2019, strategies and policies for taking and managing risks and other strategic documents and policies in line with valid regulations and parent bank rules. Within its competence, the Supervisory Board supervised the adequacy and transparency of the Bank's organizational structure in line with the approved business strategy and risk management strategy.

Good and constructive cooperation of the Management Board and the Supervisory Board and their sharing of relevant information necessary to complete their tasks also contributed to the fulfilment of the supervisory function. The Supervisory Board had at all times the possibility to ask for and to obtain from the Management Board of the Bank information on any issue related to operations of the Bank which significantly affected or could have affected its position. The Management Board made sure, among other things, that members of the Supervisory Board had adequate access to information on the risk profile. Efficient and transparent cooperation manifested itself in the open discussion between the Management Board and the Supervisory Board of the Bank and also in-between members of each of the two bodies.

In the light of the foregoing and the achieved financial results, the Supervisory Board finds that in 2019 the Management Board of the Bank was good and successful in managing the company's affairs in the best interest of all the shareholders and in line with its competence, as established by legal regulations and the Bank's Articles of Association, and that it established clear internal relations in connection with risk-taking and risk management, which also includes segregation of duties and responsibilities between the Supervisory Board, the Management Board, the appointed committees and the senior management.

Also in 2019 the Supervisory Board continued taking care of implementation of the long-term succession plan in connection with the composition of the Management Board and, in line with the procedure prescribed by law, it annually assessed suitability of the president and members of the Management Board and persons responsible for the operation of control functions in the Bank. Based on the outcome of the suitability assessment, and after obtaining a positive opinion of the Nomination Committee, the Supervisory Board found that the president and all members of the Management Board of the Bank were individually suitable to perform their respective functions and that the Management Board collectively had sufficient knowledge, skills and experience to perform its duties independently and without undue influence from other persons, and in particular to understand the Bank's activities and the main risks.

Keeping in mind the assessment of the knowledge, skills, and experience of individual members of the Supervisory Board conducted by the Bank's expert service, with a positive opinion of the Nomination Committee, and keeping in mind their participation and work done in the meetings of the Supervisory Board and its committees, the Supervisory Board finds that all of its members contributed significantly to its work, both individually and collectively, with their competences, experience, and dedication, thus enabling complete performance of the Supervisory Board's function. Last year no conflict of interest of Management Board or Supervisory Board members was detected.

### III.

The Supervisory Board was assisted by the Audit Committee in its work. The Chairman of the Audit Committee regularly reported on the Committee's work and the most important conclusions from the last meeting at the Supervisory Board meetings.

In 2019 the number of members of the Audit Committee was reduced from five to three, all appointed by the Supervisory Board of the Bank from among its members. Two members of the Audit Committee who were appointed by the General Meeting of the Bank tendered their resignations from the Committee. Six Audit Committee meetings were held in 2019 to discuss issues that fall within the competence of the Supervisory Board of the Bank. The Audit Committee helped the Supervisory Board perform its duties related to supervision over the process of financial reporting, audit process (including a recommendation for the selection of an independent external auditor given to the shareholders' meeting), as well as compliance with laws, regulations, rules, and the code of ethics, verified whether all the control functions were independent and properly skilled to accomplish their functions, and examined the periodic reports of the heads of control functions (Risk Management, Internal Audit, Compliance) and the head of the Anti-Money Laundering function. The Supervisory Board supervised, with the

assistance of the Audit Committee, adequacy and efficiency of the system of internal controls to ensure timely detection and monitoring of all the risks the Bank is exposed to in its operation.

In 2019 the Bank held planned meetings of the Remuneration Committee, the Nomination Committee, and the Risk Committee, which are composed of Supervisory Board members and are also responsible for the Bank's subsidiaries in the Republic of Croatia. The Management Board made sure that the committees of the Supervisory Board had adequate access to all information and data necessary for them to perform their tasks, including information of relevant corporate functions. The meetings discussed issues falling within the competence of those committees, observing the deadlines set by law and the internal Charter of the Committees of the Supervisory Board. Based on regular work reports, decisions, and recommendations of its technical committees, the Supervisory Board finds that all the committees were successful in carrying out tasks falling within their competence in line with the law, by-laws, and the Charter of the Committees.

In line with legal obligations, the Supervisory Board examined the Annual financial reports of the Bank and consolidated financial reports for 2019, the report of condition of the Bank and its subsidiaries, and the draft decision on the allocation of the Bank's profit earned in 2019, which were submitted by the Management Board. The Supervisory Board made no remarks on the submitted reports and it found that the Annual financial reports and consolidated financial reports of the Bank (profit and loss account, balance sheet, cash flow report, and notes to financial reports) were prepared in accordance with the balances recorded in the business books and that they fairly disclosed the assets and the financial condition of the Bank and the PBZ Group, as was confirmed also by the external auditor BDO Croatia d.o.o., Zagreb, which audited the financial reports in 2019 in line with the decision of the General Meeting of the Bank.

After the Supervisory Board has given its consent to the Annual financial reports of the Bank and consolidated annual financial reports for 2019, the mentioned financial reports are considered to be confirmed by the Management Board and by the Supervisory Board of the Bank.

The Supervisory Board of the Bank accepted the Management Board report of condition of the Bank and its subsidiaries, and it agreed that the Bank's profit totalling HRK 1,879,591,356.54 (after taxation), earned in the year ended on 31 December 2019, should be allocated in the manner proposed by the Management Board of the Bank.

Based on the foregoing, the Supervisory Board of the Bank hereby presents the proposal to the Annual General Meeting of the Bank to take note of the Annual financial reports of the Bank and consolidated annual financial reports of the Bank for 2019 as well as the Management Board report of the condition of the Bank and its subsidiaries, and in this connection, to make the decision on granting approval of action to the members of the Management Board and the Supervisory Board of the Bank, as well as to adopt the decision on the profit allocation as proposed by the Management Board of the Bank.

Having supervised the conduct of the Bank affairs in 2019, which included also the review and examination of the Bank's documentation, the Supervisory Board established that the Bank acted in consistence with the law, by-laws, decisions of the Croatian National Bank related to performed supervisory examinations of particular segments of the Bank's operation, Bank's internal regulations, instructions and guidelines of the parent bank, as well as the decisions of the General Shareholders' Meeting of the Bank. Also, the Supervisory Board finds that the Bank's operations were successful in their entirety and that the planned objectives were accomplished.

Respective decisions of the Management Board and the Supervisory Board of the Bank, by means of which the Annual financial reports of the Bank and consolidated annual financial reports of the Bank for 2019 were confirmed, constitute an integral part of this Report.

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*Explanation:*

*The obligation to submit a report on supervision exercised over the conduct of business affairs in the Bank is stipulated in Articles 263, 300.c, and 300.d of the Companies Act, which includes also the obligation [of the SB] to report on the results of its examination of the annual financial statements, the Annual Management Board Report of Condition of the Bank and its Subsidiaries, and the proposed decision on profit allocation.*

*There is no voting on this Agenda item, but instead, the participants of the Annual General Meeting are supposed to take note of the Supervisory Board Report on supervision exercised over the conduct of business affairs in the Bank in 2019.*

**Draft decisions:**

**Ad 2)**

**2.1.**

The Management Board and the Supervisory Board of the Bank hereby propose that the Annual General Meeting of the Bank adopt the following

**DECISION**

**on the allocation of the Bank's profit earned in 2019**

1. It is hereby ascertained that the Bank, in the year ended on 31 December 2019, earned net profit (i.e. profit after tax), in the amount of **HRK 1,879,591,356.54**.
2. Net profit of the Bank referred to in paragraph 1 above shall be allocated to retained earnings.
3. It is hereby ascertained that the total accumulated retained earnings of the Bank amount to **HRK 10,823,991,448.16** on the date of adoption of this Decision.
4. This Decision shall enter into force on the date of its adoption.

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*Explanation of the proposal:*

*Pursuant to provisions of Article 275 of the Companies Act, the Decision on the allocation of the Bank's profit is adopted by the General Meeting of the Bank after the Management Board of the Bank (in line with Articles 300.b and 300.c of the Companies Act) has presented a proposal of the Decision on the allocation of profit to the Supervisory Board of the Bank for examination and approval.*

*In view of the Croatian National Bank's decision of 20 March 2020, ordering the Bank to keep the net profits earned in the business year 2019 in the Bank's capital instead of allocating it for dividend payment in order to maintain soundness and stability of the financial system of RoC, a proposal is made to the General Meeting to allocate the entire net profits into retained earnings.*

**2.2.**

The Management Board and the Supervisory Board of the Bank hereby propose that the Annual General Meeting of the Bank adopt the following

## DECISION

### on granting the approval of action to members of the Management Board of the Bank

1. After the Annual financial statements for 2019 have been presented to the Annual General Meeting of the Bank - which statements were confirmed by the Management Board and the Supervisory Board of the Bank, it is hereby ascertained that the Management Board of Privredna banka Zagreb d.d. managed the affairs of the Bank in accordance with the law and the Articles of Association of the Bank, and, based on the foregoing, members of the Management Board shall be granted the approval of action for the year 2019.
2. This Decision shall enter into force on the date when it has been adopted.

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*Explanation of the proposal:*

*Pursuant to Article 276 of the Companies Act, the shareholders at the General Meeting of the Bank once a year, on the occasion when the annual financial statements are presented to the General Meeting, decide on granting the approval of action to members of the Management Board and the Supervisory Board – by means of which they express their approval of the way in which members of the Management Board and the Supervisory Board ran the company in a given year.*

### 2.3.

The Management Board and the Supervisory Board of the Bank hereby propose that the Annual General Meeting of the Bank adopt the following

## DECISION

### on granting the approval of action to members of the Supervisory Board of the Bank

1. After the Annual financial statements for 2019 have been presented to the Annual General Meeting of the Bank - which statements were confirmed by the Management Board and the Supervisory Board of the Bank, it is hereby ascertained that the Supervisory Board of Privredna banka Zagreb d.d. performed its functions in accordance with the law and the Articles of Association of the Bank, and, based on the foregoing, members of the Supervisory Board shall be granted the approval of action for the year 2019.
2. This Decision shall enter into force on the date when it has been adopted.

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*Explanation of the proposal:*

*The explanation is the same as under 2.2 above*

### Ad 3)

Pursuant to the recommendation of the Audit Committee of the Bank, the Supervisory Board of the Bank puts forth to the Annual General Meeting of the Bank the proposal to adopt the following

**D E C I S I O N**  
**on the appointment of the external auditor who shall conduct the audit of  
the financial statements of the Bank for the year 2020**

1. The audit firm **BDO Croatia d.o.o., Zagreb**, Trg J. F. Kennedyja 6b, is hereby appointed as the external auditor that shall conduct the audit of the financial statements of the Bank for the year 2020.
2. This Decision shall enter into force on the date when it has been adopted.

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*Explanation of the proposal:*

*Pursuant to Article 275 of the Companies Act, the shareholders at the General Meeting decide also on the appointment of the external auditor who shall conduct the audit of the company's operation as proposed by the Supervisory Board of the Bank.*

*In accordance with the recommendation of the Audit Committee of the Bank, the proposal is to appoint the audit firm BDO Croatia d.o.o., Zagreb, to conduct the audit of the Bank's financial statements for a second year in a row.*

**Ad 4)**

The Management Board of the Bank hereby proposes that the Annual General Meeting of the Bank adopt the following

**D E C I S I O N**  
**on the suitability of members of the Supervisory Board of the Bank  
based on regular suitability assessment**

1. Upon completion of the regular annual assessment of the suitability to perform the function of a member of the Supervisory Board of the Bank an assessment has been made that:
  - Mr **Ignacio Jaquotot**, president of the Supervisory Board,
  - Ms **Draginja Đurić**, deputy president of the Supervisory Board,
  - Mr **Branko Jeren**, Mr **Giulio Moreno** and Mr **Christophe Velle**, members of the Supervisory Board,are suitable to perform the function of a member of the Supervisory Board.
2. It is assessed that the members of the Supervisory Board collectively or individually have the necessary knowledge, skills and experience allowing it to monitor the Bank's operations independently and without undue influence from other persons and to have an understanding of its operations and significant risks.
3. This Decision shall enter into force on the date of its adoption.

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*Explanation of the proposal:*

*According to the provisions of the Credit Institutions Act and the CNB's Decision on the assessment of the suitability of the chairperson of the management board, members of the management board, members of the supervisory board and key function holders in a credit institution, the General Meeting decides on the suitability of members of the Supervisory Board of the Bank on a regular basis - once a year.*

*Before submitting the draft decision to the General Meeting, a suitability assessment of present members of the Supervisory Board was conducted at the Bank in accordance with the Policy*

*on the assessment of suitability procedure, adopted with the consent of the Supervisory Board of the Bank, and the Policy on the target structure of the Supervisory Board of Privredna banka Zagreb d.d., adopted by the General Meeting of the Bank.*

**Ad 5)**

Having received a positive opinion of the Nomination Committee, the Management Board of the Bank puts forth to the Annual General Meeting of the Bank the proposal to adopt the following

**DECISION**

**on the suitability of candidates for members of the Supervisory Board of the Bank**

1. Upon completion of the assessment of the suitability of the candidates for members of the Supervisory Board of the Bank, it was found that:
  - Mr **Giulio Moreno**, candidate for a member of the Supervisory Board, and
  - Mr **Luca Leoncini Bartoli**, candidate for a member of the Supervisory Board,are suitable to perform the function of a member of the Supervisory Board of the Bank.
2. This Decision shall enter into force on the date of its adoption.

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*Explanation of the proposal:*

*According to the provisions of the Credit Institutions Act and the CNB's Decision on the assessment of the suitability of the chairperson of the management board, members of the management board, members of the supervisory board and key function holders in a credit institution, the General Meeting decides on the suitability of candidates for members of the Supervisory Board of the Bank.*

*Considering that the three-year term of office of a member of the Supervisory Board of the Bank, Mr Giulio Moreno, will end on 29 November 2020 and keeping in mind his contribution to the work of the Supervisory Board and the Audit Committee that he chairs, a proposal is put forth to re-elect him to the Supervisory Board and also to elect Mr Luca Leoncini Bartoli as a member of the Supervisory Board of the Bank instead of Mr Paolo Vivona, who has tendered his resignation from the Board effective from the beginning of the term of office of the new member.*

*Before submitting the draft decision to the General Meeting, a suitability assessment of the afore mentioned candidates for members of the Supervisory Board was conducted at the Bank in accordance with valid regulations and internal regulations of the Bank and the Policy on the target structure of the Supervisory Board of Privredna banka Zagreb d.d., adopted by the General Meeting of the Bank.*

**Ad 6)**

In line with the Nomination Committee's proposal of candidates for members of the Supervisory Board of the Bank, the Supervisory Board of the Bank puts forth to the Annual General Meeting of the Bank the proposal to adopt the following

## DECISION

### on the election of two members of the Supervisory Board of the Bank

1. Elected to the Supervisory Board of the Bank for a three-year term of office are as follows:
  - Mr **Giulio Moreno**, domiciled in Rome, Italy, BSc in Political Science; for another term of office, starting on 30 November 2020, subject to prior approval of the Croatian National Bank,
  - Mr **Luca Leoncini Bartoli**, domiciled in Milan, Italy, BSc in Business and Economy, Head of International Subsidiary Banks Credit Department, Intesa Sanpaolo; effective from the date of prior approval of the Croatian National Bank.  
(elected instead of Mr Paolo Vivona, whose term of office on the Supervisory Board shall end on account of his resignation, effective from the beginning of the term of office of the new member).
2. This Decision shall enter into force on the date of issuance of the prior approval of the Croatian National Bank for the performance of the function of a member of the supervisory board of a credit institution.

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#### *Explanation of the proposal:*

*Pursuant to Article 275 of the Companies Act the General Meeting decides on the election of members of the Supervisory Board.*

*After the suitability assessment of Mr Moreno and Mr Leoncini Bartoli had been performed by the Bank's expert service, the Nomination Committee issued a positive opinion on their suitability for performing the function of a member of the Supervisory Board of the Bank, proposing them to the Supervisory Board of the Bank as candidates for Supervisory Board members.*

*Further to the foregoing and according to the provisions of Article 280 of the Companies Act, the Supervisory Board submits to the General Meeting of the Bank the proposal to elect Mr Moreno and Mr Leoncini Bartoli as members of the Supervisory Board of the Bank for a three-year term of office subject to prior approval of the Croatian National Bank for performing the function of a member of the supervisory board of a credit institution.*

*The resumes of the nominated candidates are available on the Bank's web site.*

#### **Ad 7)**

The Management Board and the Supervisory Board of the Bank of the Bank put forth to the Annual General Meeting of the Bank the proposal to adopt the following

## DECISION

### on the acceptance of the ratio between variable and fixed components of the remuneration for 2019

#### I.

In order that those who have a major direct involvement in the Bank's/PBZ Group management have the opportunity to gain competitive bonuses, in line with the level of performance achieved, consent is hereby given for a higher ratio between the variable and the fixed component of the remuneration for the PBZ Group Risk Takers who are identified as ISP Group Risk Takers as well, and not belonging to the control functions or to the PBZ Group Risk Takers identified as ISP Group Risk Takers operating in Banka Intesa Sanpaolo d.d. Slovenia, up to a maximum 200% to 100%, all in line with the applicable regulatory framework.

Further to the foregoing, the maximum amount of variable remuneration equals 200% of the fixed remuneration of each of the eight Risk Takers covered by the above range who hold the following functions:

- Privredna banka Zagreb d.d.: President of the Management Board, Deputy President of the Management Board, Member of the Management Board responsible for the Corporate Division, member of the Management Board responsible for the Small Business & SME Division, Member of the Management Board responsible for the Retail Division, Member of the Management Board responsible for the Chief Operating Officer Area, Senior Executive Director – CFO;
- Intesa Sanpaolo Banka d.d., Bosnia & Herzegovina: President of the Management Board.

The purpose of the proposed acceptance of higher ratio is not to automatically increase the variable remuneration to the Risk Takers listed in this Item, but only to create preconditions for enabling a variable remuneration of more than 100%.

II.

The higher cap referred to in item I of this Decision is determined in accordance with 2019 PBZ Group Remuneration and Incentive Policies and in compliance with the valid Remuneration and Incentive Policies of the Parent Company for 2019.

III.

The implementation of this Decision has no material impact on the maintenance of the adequate capital level of Privredna banka Zagreb d.d. and PBZ Group.

IV.

This Decision shall enter into force on the date of its adoption.

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*Explanation of the proposal:*

*Based on the achievement of individually agreed goals and considering overall performance and performance-related behaviours, in particular with regard to managerial competencies, and in accordance with the Bank's values, the expressed evaluation of individual achievement of the set goals and the valid rules on remuneration, for the PBZ Group Risk Takers who are identified as ISP Group Risk Takers as well, and not belonging to the Control Functions, or to the PBZ Group Risk Takers identified as ISP Group Risk Takers operating in Banka Intesa Sanpaolo d.d. Slovenia (since the local regulations allow a maximum limit of 100%), proposal is made for the above stated ratio between variable and fixed remuneration for 2019 is proposed in accordance with the Article 100.a of the Credit Institution Act, Official Gazette No 159/13, 19/15, 102/15, 15/18, 70/19 and 47/20.*

*In line with the above mentioned the proposed Decision relates to eight Risk Takers, namely seven employees of the Privredna banka Zagreb d.d. and one employee of the Intesa Sanpaolo Banka d.d., Bosnia & Herzegovina who perform the functions of the President, Member of the Management Board and CFO as stated in the Decision.*

*The purpose of the proposed acceptance of higher ratio is not to automatically increase the variable remuneration to the abovementioned Risk Takers, but only to create preconditions for enabling a variable remuneration of more than 100%.*

*Considering all the risks that the Bank is exposed to as well as the requirements for maintenance of an adequate level of capital and liquidity, it is determined that the proposed Decision does not affect the fulfilment of regulatory obligations and that the implementation of this Decision has no material impact on the maintenance of adequate capital level of Privredna banka Zagreb d.d. and PBZ Group.*

**Conditions for participating in the Annual General Meeting and exercising voting rights**

All shareholders of the Bank that hold ordinary registered shares are hereby invited to participate in the Annual General Meeting of the Bank.

The right to participate in the Annual General Meeting of the Bank can be exercised by those shareholders who are registered as the Bank shareholders at the depository of the Central

Depository and Clearing Company on the work day immediately preceding the day of holding of the Annual General Meeting.

Each of 19,074,769 shares of the nominal value of HRK 100, in which the share capital of the Bank is divided, excluding 57,713 treasury shares, gives its holder the right to one vote, so that there shall be a total of 19,017,056 of shares with a voting right.

A shareholder can be represented by a proxy at the Annual General Meeting on the basis of a written authorisation which need not be certified by a notary public, but the original of which has to be delivered not later than on the date of holding of the General Meeting. The mentioned authorisation can be sent also via e-mail (pdf format to the e-mail address: [General.Secretariat@pbz.hr](mailto:General.Secretariat@pbz.hr)).

Shareholders, or their proxies, may vote at the Annual General Meeting of the Bank on a particular matter which is the subject of decision-making *also by* returning ahead of the meeting a properly filled-in ballot paper, but only on condition that they be present at the Annual General Meeting during decision-making on that matter.

A ballot paper and a proxy form can be obtained at Privredna banka Zagreb d.d., Zagreb, Radnička cesta 44 B1-8A, and they are also available on the Bank's website ([www.pbz.hr](http://www.pbz.hr)), where all other announcements can also be found, in conformity with the provisions of the Companies Act (hereinafter: the CA). Any further information in this regard may be obtained also at the telephone number: +385 1 63 60 040.

The materials for the Annual General Meeting of the Bank, which should serve as a basis for making decisions that are publicly announced, will be made available to the shareholders starting from the date when the calling of the Annual General Meeting is announced, every work day from 9.00 a.m. to 2.00 p.m., on the Bank premises in Zagreb, Radnička cesta 44 B1-8A, and will also be displayed on the web site of the Bank.

If a quorum stipulated by the Articles of Association of Privredna banka Zagreb d.d. is not constituted at this General Meeting, then the General Meeting will be held on 22 July 2020, at the same location, beginning at the same time, and the Agenda of the meeting will remain the same.

### **Shareholders' rights**

As regards exercising of a right to:

- make an addition to the agenda (which is the right of those shareholders who, together, hold shares equal to the twentieth part, i.e. 5% of the share capital) – shareholders are advised to consult the provisions of Article 278 par. 2 of the CA (a request by the shareholders must be received at/by the Bank at least 30 days prior to the holding of the General Meeting, where the day of receipt of the request is not included in the specified time limit, *and the request must be sent to the address: Privredna banka Zagreb d.d. – General Secretariat, Zagreb, Radnička cesta 44 B1-8A*)
- make a counterproposal in relation to proposed decision on a certain agenda item where such proposal was made by the Management Board and/or the Supervisory Board of the Bank) – shareholders are advised to consult the provisions of Article 282 par. 1 i.e. Article 283 of the CA regarding proposals for the election of members of the Supervisory Board, together with adequate application of the provision of Article 282 (a counterproposal must be delivered to the Bank at least 14 days prior to the holding of the General Meeting, where the day of its receipt is not included in the specified time limit, *and it must be sent to the address: Privredna banka Zagreb d.d. – General Secretariat, Zagreb, Radnička cesta 44 B1-8A*)
- a shareholder's right to be informed at the General Meeting, at one's own request, by the Management Board of the Bank, on business affairs of the company if that proves to be necessary for deliberating the items on the agenda – shareholders are advised to consult the provisions of Article 287 of the CA

**Privredna banka Zagreb d.d.**