



**REPUBLIC OF CROATIA**  
**NOTARY PUBLIC**  
**IVA DUJMOVIĆ**  
**10000 ZAGREB, Jurišićeva 21/1**

In Zagreb, 21 July 2020 (in words:  
the twenty-first of July, two thousand and twenty)

I, Notary Public Iva Dujmović of Zagreb, Jurišićeva 21, have prepared these minutes of the Annual General Meeting of Privredna banka Zagreb d.d., with registered office in Zagreb (City of Zagreb), Radnička cesta 50, entered in the court register of the Commercial Court of Zagreb under registration number (MBS) 080002817, taxpayer identification number (OIB): 02535697732, which was held on 21 July 2020 (in words: the twenty-first of July, two thousand and twenty) on the business premises of the company in Zagreb, Radnička cesta 44, B1-8<sup>th</sup> floor. -----

The Annual General Meeting was opened, via videoconference, at 11:00 a.m. (in words: eleven) by the deputy president of the Supervisory Board, Ms Draginja Đurić, based on a power of attorney dated 3 (in words: the third of) July 2020 (in words: two thousand and twenty), granted by the president of the Supervisory Board, Mr Ignacio Jaquotot, designated by the Bank's Articles of Association to chair the Meeting as its Chairman. -----

The Chairman of the Meeting informed the present that the minutes of the Meeting would be kept by a notary public and that simultaneous translation from the official language into English would be performed by a certified court interpreter for English and Italian, Ms Višnja Žunac, personally known to me, of whose reappointment as certified court interpreter for English and Italian I had been satisfied by examining the original copy of the Decision of the County Court in Zagreb, number: 4 Su-140/2019, of 22 February 2019 (in words: the twenty-second of February, two thousand and nineteen).-----

The Chairman of the Meeting informed the present shareholders that the Annual General Meeting had been convened by the Management Board of the Bank based on Article 39 of the Articles of Association of Privredna banka Zagreb d.d. (hereinafter: the Bank) and Article 277 of the Companies Act, and that the notice of the Annual General Meeting, along with the agenda and draft decisions, which are enclosed herewith, had been published on the website of the court register of the Commercial Court in Zagreb on 18.06.2020 (in words: the eighteenth of June, two thousand and twenty) under protocol no.: R3-20/8266-1 and on the websites of the Croatian Financial Services Supervisory Agency, the Zagreb Stock Exchange, and the Croatian News Agency (HINA). -----

The Chairman of the Meeting read the following:-----

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**AGENDA**  
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1. The Supervisory Board Report on supervision exercised over the conduct of business affairs in the Bank in 2019 (in words: two thousand and nineteen) -----
2. Annual financial statements of the Bank and consolidated annual financial statements for 2019 (in words: two thousand and nineteen) (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 (in words: two thousand and nineteen) -----
  - 2.2. Decision on granting the approval of action to members of the Management Board of the Bank for the year 2019 (in words: two thousand and nineteen) -----
  - 2.3. Decision on granting the approval of action to members of the Supervisory Board of the Bank for the year 2019 (in words: two thousand and nineteen) -----
3. Decision on the appointment of the external auditor who shall conduct the audit of the Bank's financial statements for the year 2020 (in words: two thousand and twenty)-----
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 the acceptance of the ratio between variable and fixed components of the remuneration for 2019 (in words: two thousand and nineteen) -----

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*Ad I)* The Supervisory Board of the Bank submits to the General Meeting of the Bank the following-----  
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**REPORT**  
**on supervision exercised over the conduct of business affairs in Privredna banka Zagreb d.d. in 2019 (in words: two thousand and nineteen)**  
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I.

In 2019 (in words: two thousand and nineteen) 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 (in words: the twenty-fourth of) April 2019 (in words: two thousand and nineteen). 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 (in words: two thousand and nineteen) the Supervisory Board held 20 (in words: twenty) 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 (in words: two thousand and nineteen), 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 (in words: two thousand and nineteen) 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 (in words: two thousand and nineteen) 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 (in words: two thousand and nineteen) 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 (in words: two thousand and nineteen) 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 (in words: two thousand and nineteen) 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 (in words: two thousand and nineteen), 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 (in words: two thousand and nineteen), 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 words: two thousand and nineteen) 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 (in words: two thousand and nineteen), 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 (in words: one billion, eight hundred and seventy-nine million, five hundred and ninety-one thousand, three hundred and fifty-six kuna and fifty-four lipa) (after taxation), earned in the year ended on 31 (in words: the thirty-first of) December 2019 (in words: two thousand and nineteen), 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 (in words: two thousand and nineteen) 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 (in words: two thousand and nineteen), 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

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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 (in words: two thousand and nineteen) were confirmed, constitute an integral part of this Report. -----

Explanation of the proposal: -----

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 Report of the Supervisory Board. -----

Draft Decisions: -----

*Ad 2)* -----

*2.1)* The Management Board and the Supervisory Board of the Bank propose to the General Meeting of the Bank to bring the -----

**DECISION**

**on the allocation of the Bank's profit earned in 2019 (in words: two thousand and nineteen)**

1. It is hereby ascertained that the Bank, in the year ended on 31 December 2019 (in words: the thirty-first of December, two thousand and nineteen), earned net profit (i.e. profit after tax), in the amount of HRK 1,879,591,356.54 (in words: one billion, eight hundred and seventy-nine million, five hundred and ninety-one thousand, three hundred and fifty-six kuna and fifty-four lipa). -----
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 (in words: ten billion, eight hundred and twenty-three million, nine hundred and ninety-one thousand, four hundred and forty-eight kuna and sixteen lipa) on the date of adoption of this Decision. -----
4. This Decision shall enter into force on the date of its adoption. -----

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. -----

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In view of the Croatian National Bank's decision of 20 (in words: the twentieth of) March 2020 (in words: two thousand and twenty), ordering the Bank to keep the net profits earned in the business year 2019 (in words: two thousand and nineteen) 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 propose to the General Meeting of the Bank to bring the -----

**DECISION**

**on granting the approval of action to the members of the Management Board**

1. After the Annual financial statements for 2019 (in words: two thousand and nineteen) 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 (in words: two thousand and nineteen). -----
2. This Decision shall enter into force on the date when it has been adopted. -----

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 propose to the General Meeting of the Bank to bring the -----

**DECISION**

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

1. After the Annual financial statements for 2019 (in words: two thousand and nineteen) 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 (in words: two thousand and nineteen). -----
2. This Decision shall enter into force on the date when it has been adopted. -----

Explanation of the proposal: -----

The explanation is the same as under 2.2 above.-----

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*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 -----

**DECISION**

**on the appointment of the external auditor who shall conduct the audit of the financial statements of the Bank for the year 2020 (in words: two thousand and twenty)**

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 (in words: two thousand and twenty). ----
2. This Decision shall enter into force on the date when it has been adopted. -----

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 -----

**DECISION**

**on the suitability of members of the Supervisory Board of the Bank based on the 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. -----

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. -----



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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 -----

**D E C I S I O N**

**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. -----

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 (in words: the twenty-ninth of) November 2020 (in words: two thousand and twenty) 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-----

**D E C I S I O N**

**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: -----

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- Mr Giulio Moreno, domiciled in Rome, Italy, BSc in Political Science; for another term of office, starting on 30 (in words: the thirtieth of) November 2020 (in words: two thousand and twenty), 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. -----

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*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  
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**DECISION**

**on the acceptance of the ratio between variable and fixed components  
of the remuneration for 2019 (in words: two thousand and nineteen)**

**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% (in words: two hundred percent) to 100% (in words: one hundred percent), all in line with the applicable regulatory framework. -----

Further to the foregoing, the maximum amount of variable remuneration equals 200% (in words: two hundred percent) of the fixed remuneration of each of the eight Risk Takers covered by the above range who hold the following functions: -----

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- 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% (in words: one hundred percent). -----

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 (in words: two thousand and nineteen). -----

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. -----

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% (in words: one hundred percent)), proposal is made for the above stated ratio between variable and fixed remuneration for 2019 (in words: two thousand and nineteen) 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% (in words: one hundred percent). -----

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. -----

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The Chairman of the General Meeting informed the present that the notice of the General Meeting included a notification for the shareholders indicating that the materials for the General Meeting of the Bank, serving as basis for the adoption of the published decisions, would be made available from the day of the notice of the Bank's General Meeting, on the premises of the Bank, Zagreb, Radnička cesta 44, B1-8A, on working days from 9 (in words: nine) till 14 (in words: fourteen hundred hours) and 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 (in words: the twenty-second of) July 2020 (in words: two thousand and twenty), at the same location, beginning at the same time, and the Agenda of the meeting will remain the same. -----

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The Commission for enlisting the attendees of the General Meeting provided the present at the General Meeting with a list of attendees of the General Meeting and the votes taken by the shareholders in respect to all agenda decisions, based on the filled in ballot papers delivered by the shareholders before the Meeting. -----

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The Chairman of the Meeting established that the Annual General Meeting was attended via videoconference, due to epidemiological measures driven by the Covid-19 pandemic, also by members of the Management Board of the Bank, members of the Supervisory Board of the Bank, Mr Giulio Moreno and Mr Paolo Vivona, and a member of the management board of the audit firm BDO CROATIA d.o.o., Mr Ivan Čajko. -----

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The Chairman of the General Meeting established that the Company has a total of 19,074,769 (in words: nineteen million, seventy-four thousand and seven hundred and sixty-nine) votes, i.e. 19,017,056 (in words: nineteen million, seventeen thousand and fifty-six) votes without treasury shares. -----

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She furthermore established that out of the total number of shareholders with voting rights, present were shareholders having a total of 18,592,841 (in words: eighteen million, five hundred and ninety-two thousand and eight hundred and forty-one) votes, namely 97.77% (in words: ninety-seven point seventy-seven percent) of the total number of voting rights, and that the General Meeting was to adopt decisions by a majority vote (simple majority), except the Decision on the acceptance of the ratio between variable and fixed components of the remuneration for 2019 (in words: two thousand and nineteen), which was to be adopted by a majority vote representing at least three quarters of the share capital represented at the General Meeting of the Bank. -----

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The Chairman of the Meeting established that the General Meeting could bring valid decisions.-----

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**Ad 1)**  
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The Chairman of the Meeting informed the present that the Report of the Supervisory Board of Privredna banka Zagreb d.d. on supervision exercised over the conduct of business affairs in the Bank in 2019 (in words: two thousand and nineteen) had been made available to the shareholders as part of the set of materials for the General Meeting of the Bank and that the said Report would not be voted on, but only taken note of.-----

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**Ad 2)**  
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The Chairman of the General Meeting invited the President of the Management Board of the Bank, Mr Dinko Lucić, to present to the shareholders the Annual financial statements of the Bank and consolidated annual financial statements of the Bank for 2019 (in words: two thousand and nineteen), which had been confirmed by the Management Board and the Supervisory Board of the Bank, and the Annual Management Board Report of Condition of the Bank and its Subsidiaries.-----

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After the presentation of the President of the Management Board of the Bank, the Chairman of the Meeting thanked the President for the given report. -----

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The Chairman of the Meeting informed the present that the presented statements were not to be voted on, but only taken note of. -----

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Before establishing the number of votes cast on all agenda items, the Chairman of the Meeting asked the present shareholders, or their proxies, if they wanted to change their votes cast by means of ballot papers. -----

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As none of the present shareholders decided to change the vote cast via ballot paper, the Chairman of the Meeting established that all of the shareholders decided to stand by their votes. -----

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**Ad 2.1)**  
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Given that there was no discussion regarding the Decision on the allocation of the Bank's profit earned in 2019 (in words: two thousand and nineteen), the Chairman of the Meeting informed the present that, according to the delivered ballot papers, there were 18,592,841 (in words: eighteen million, five hundred and ninety-two thousand and eight hundred and forty-one) valid votes in favour, no votes against, and no abstentions, so that the proposed Decision on the allocation of the Bank's profit earned in 2019 (in words: two thousand and nineteen) was adopted by 100% (in words: one hundred percent) of the votes attached to the share capital represented at the meeting, which votes make up 97.77% (in words: ninety-seven point seventy-seven percent) of the total share capital of the company.-----  
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The Chairman of the Meeting established that the General Meeting unanimously adopted the Decision on the allocation of the Bank's profit earned in 2019 (in words: two thousand and nineteen), as published, according to which the Bank earned profits (after tax) in the amount of HRK 1,879,591,356.54 (in words: one billion, eight hundred and seventy-nine million, five hundred and ninety-one thousand, three hundred and fifty-six kuna and fifty-four lipa), which shall be allocated to retained earnings.-----  
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**Ad 2.2)**

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Given that there was no discussion regarding the Decision on granting the approval of action to the members of the Management Board of the Bank for the year 2019 (in words: two thousand and nineteen), the Chairman of the Meeting informed the present that, according to the delivered ballot papers, there were 18,592,841 (in words: eighteen million, five hundred and ninety-two thousand and eight hundred and forty-one) valid votes in favour, no votes against, and no abstentions, so that the proposed Decision on the allocation of the Bank's profit earned in 2019 (in words: two thousand and nineteen) was adopted by 100% (in words: one hundred percent) of the votes attached to the share capital represented at the meeting, which votes make up 97.77% (in words: ninety-seven point seventy-seven percent) of the total share capital of the company.-----  
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The Chairman of the Meeting established that the General Meeting unanimously adopted the Decision on granting the approval of action to the members of the Management Board of the Bank for the year 2019 (in words: two thousand and nineteen).-----  
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**Ad 2.3)**

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Given that there was no discussion regarding the Decision on granting the approval of action to the members of the Supervisory Board of the Bank for the year 2019 (in words: two thousand and nineteen), the Chairman of the Meeting informed the present that, according to the delivered ballot papers, there were 18,592,841 (in words: eighteen million, five hundred and ninety-two thousand and eight hundred and forty-one) valid votes in favour, no votes against and no abstentions, so that the proposed Decision on granting the approval of action to the members of the Supervisory Board of the Bank for the year 2019 (in words: two thousand and nineteen) was adopted by 100.00% (in words: one hundred percent) of the votes attached to the voting share capital represented at the meeting, which votes make up 97.77% (in words: ninety-seven point seventy-seven percent) of the total share capital of the company.-----  
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The Chairman of the Meeting established that the General Meeting unanimously adopted the Decision on granting the approval of action to the members of the Supervisory Board of the Bank for the year 2019 (in words: two thousand and nineteen).-----  
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**Ad 3)**  
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Given that there was no discussion regarding the Decision on the appointment of the external auditor who shall conduct the audit of the Bank's financial statements for the year 2020 (in words: two thousand and twenty), the Chairman of the Meeting informed the present that, according to the delivered ballot papers, there were 18,592,841 (in words: eighteen million, five hundred and ninety-two thousand and eight hundred and forty-one) valid votes in favour, no votes against and no abstentions, so that the proposed Decision on the appointment of the external auditor who shall conduct the audit of the Bank's financial statements for the year 2020 (in words: two thousand and twenty) was adopted by 100.00% (in words: one hundred percent) of the votes attached to the voting share capital represented at the meeting, which votes make up 97.77% (in words: ninety-seven point seventy-seven percent) of the total share capital of the company. -----

The Chairman of the Meeting established that the General Meeting unanimously adopted the Decision to appoint the audit firm BDO Croatia d.o.o., Zagreb, Trg J.F. Kennedyja 6b, to conduct the audit of the Bank's financial statements for the year 2020 (in words: two thousand and twenty).-----

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**Ad 4)**  
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Given that there was no discussion regarding the Decision on the suitability of members of the Supervisory Board of the Bank based on the regular suitability assessment, the Chairman of the Meeting informed the present that, according to the delivered ballot papers, there were 18,592,841 (in words: eighteen million, five hundred and ninety-two thousand and eight hundred and forty-one) valid votes in favour, no votes against, and no abstentions, so that the proposed Decision on the suitability of members of the Supervisory Board of the Bank based on the regular suitability assessment was adopted by 100% (in words: one hundred percent) of the votes attached to the share capital of the company represented at the meeting, which votes make up 97.77% (in words: ninety-seven point seventy-seven percent) of the total share capital of the company. -----

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The Chairman of the Meeting established that the General Meeting unanimously adopted the Decision on the suitability of members of the Supervisory Board of the Bank based on the regular suitability assessment, as published, which established 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, were suitable for performing the function of member of the Supervisory Board and that the Supervisory Board collectively had the necessary knowledge, skills and experience allowing it to monitor the credit institution's operations independently and without undue influence from other persons and to have an understanding of operations and significant risks that the Bank may be exposed to. -----

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**Ad 5)**  
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Given that there was no discussion regarding the Decision on the suitability of candidates for members of the Supervisory Board of the Bank, the Chairman of the Meeting informed the present that, according to the delivered ballot papers, there were 18,592,841 (in words: eighteen million, five hundred and ninety-two thousand and eight hundred and forty-one) valid votes in favour, no votes against, and no abstentions, so that the proposed Decision on the suitability of candidates for members of the Supervisory Board of the Bank was adopted by 100% (in words: one hundred percent) of the votes attached to the share capital of the company represented at the meeting, which votes make up 97.77% (in words: ninety-seven point seventy-seven percent) of the total share capital of the company.-----

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The Chairman of the Meeting established that the General Meeting unanimously adopted the Decision on the suitability of candidates for members of the Supervisory Board of the Bank, as published, which found that the candidates for members of the Supervisory Board of the Bank, Mr Giulio Moreno and Mr Luca Leoncini Bartoli, were suitable to perform the function of a member of the Supervisory Board of the Bank. --  
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**Ad 6)**  
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Given that there was no discussion regarding the Decision on the election of two members of the Supervisory Board of the Bank, the Chairman of the Meeting informed the present that, according to the delivered ballot papers, there were 18,591,522 (in words: eighteen million, five hundred and ninety-one thousand and five hundred and twenty-two) valid votes in favour, 1,319 (in words: one thousand and three hundred and nineteen) votes against, and no abstentions, so that the proposed Decision on the election of two members of the Supervisory Board of the Bank was adopted by 99,99% (in words: ninety-nine point ninety-nine percent) of the votes attached to the share capital of the company represented at the meeting, which votes make up 97.76% (in words: ninety-seven point seventy-six percent) of the total share capital of the company.-----

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The Chairman of the Meeting established that the General Meeting adopted by a majority vote the Decision on the election of two members of the Supervisory Board of the Bank, as published, electing to the Supervisory Board of the Bank for a three-year term of office Mr Giulio Moreno for another term of office, starting on 30 (in words: the thirtieth of) November 2020 (in words: two thousand and twenty) and Mr Luca Leoncini Bartoli, effective from the date of prior approval of the Croatian National Bank. -----

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The Chairman of the Meeting thanked Mr Paolo Vivona for his cooperation, support, and substantial contribution to the operation of the Bank, the Supervisory Board of the Bank, and its committees, and welcomed the newly elected member of the Supervisory Board.-----



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**Ad 7)**  
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Given that there was no discussion regarding the Decision on the acceptance of the ratio between variable and fixed components of the remuneration for 2019 (in words: two thousand and nineteen), the Chairman of the Meeting informed the present that, according to the delivered ballot papers, there were 18,592,841 (in words: eighteen million, five hundred and ninety-two thousand and eight hundred and forty-one) valid votes in favour, no votes against, and no abstentions, so that the proposed Decision on the acceptance of the ratio between variable and fixed components of the remuneration for 2019 (in words: two thousand and nineteen) was adopted by 100% (in words: one hundred percent) of the votes attached to the share capital of the company represented at the meeting, which votes make up 97.77% (in words: ninety-seven point seventy-seven percent) of the total share capital of the company. -----

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The Chairman of the Meeting established that the General Meeting unanimously adopted the Decision on the acceptance of the ratio between variable and fixed components of the remuneration for 2019 (in words: two thousand and nineteen), as published, accepting a higher ratio of variable to fixed remuneration for the PBZ Group risk takers identified as ISP Group risk takers and not belonging to the control functions or PBZ Group risk takers identified as ISP Group risk takers operating in Banka Intesa Sanpaolo d.d. Slovenia, up to a maximum of 200% (in words: two hundred percent) to 100% (in words: one hundred percent), all in line with the applicable regulatory framework, the PBZ Group Remuneration and Incentive Policy – 2019 (in words: two thousand and nineteen), and that the implementation of the Decision had no material impact on the maintenance of an adequate level of capital by Privredna banka Zagreb d.d. and the PBZ Group. -----

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After the last agenda item, the Chairman thanked the present proxies of shareholders, the Management Board of the Bank and members of the Supervisory Board for their participation in the work of the Meeting and closed the Meeting at 11:45 (in words: eleven forty-five). -----

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Internal minutes were signed. -----

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I confirm that the minutes were read prior to their signing in accordance with Article 69, par. 1, item 5 of the Notaries Public Act. -----

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Four copies of the deed have been issued, whereof two for the Company and two for the needs of the court register. -----  
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Notary Public  
Iva Dujmović, sgd.

- Enclosed with the Minutes is the following:-----
- Notice of the Annual General Meeting of Privredna banka Zagreb d.d. published on the website of the court register of the Commercial Court in Zagreb, protocol no.: R3-20/8266-1 of 18.06.2020 (in words: the eighteenth of June, two thousand and twenty)-----
  - Power of attorney of the president of the Supervisory Board, Mr Ignacio Jaquotot, of 3 July 2020 (in words: the third of July, two thousand and twenty)
  - Decision of the County Court of Zagreb on the reappointment of Ms Višnja Žunac as permanent court interpreter for English and Italian-----
  - List of participants at the General Meeting of Privredna banka Zagreb d.d., Zagreb, including the results of the voting -----
  - Decision on the allocation of the Bank's profit earned in 2019 (in words: two thousand and nineteen) -----
  - Decision on granting the approval of action to the members of the Management Board of the Bank-----
  - Decision on granting the approval of action to the members of the Supervisory Board of the Bank-----
  - Decision on the appointment of the external auditor who shall conduct the audit of the Bank's financial statements for the year 2020 (in words: two thousand and twenty)-----
  - Decision on the suitability of members of the Supervisory Board of the Bank based on the regular suitability assessment -----
  - Decision on the suitability of candidates for members of the Supervisory Board of the Bank -----
  - Decision on the election of two members of the Supervisory Board of the Bank ---
  - Decision on the acceptance of the ratio between variable and fixed components of the remuneration for 2019 (in words: two thousand and nineteen) -----

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Government stamps amounting to HRK 100.00 (in words: one hundred kuna) have been charged for the preparation of these minutes pursuant to Tariff No.3, paragraph 4 and Tariff No. 11 of the NPA (Notaries Public Act).-----

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A notarial fee amounting to HRK 2,160.00 (in words: two thousand and one hundred and sixty kuna), increased by the 25% VAT (in words: twenty-five percent), has been charged pursuant to Articles 25 and 38 of the Rulebook on Temporary Notaries Public Tariffs.-----

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It is hereby certified that this copy equals the original filed away in the office of the notary public and that it fully replaces the original copy in legal transactions.-----  
It is hereby certified that the parties have signed each decision enclosed with the original.-----

Notary public  
Iva Dujmović