

# **Annual General Meeting**

## **26 April 2021**

**(materials)**

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**PRIVREDNA BANKA ZAGREB d.d.**  
**MANAGEMENT BOARD**

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 Privredna banka Zagreb d.d., adopted at its 6\_21 meeting, held on 3 March 2021, the following

**DECISION**  
**on calling the Annual General Meeting**

of **Privredna banka Zagreb d.d.**, Zagreb, Radnička cesta 50, which will be held on **26 April 2021**, beginning at **12.00 noon**, in the *Kornati* conference room, City Plaza Zagreb, Slavenska avenija 6 (building no. 2, ground floor), Zagreb.

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 2020
2. Annual financial statements of the Bank and consolidated annual financial statements for 2020 (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 2020
  - 2.2 Decision on granting the approval of action to members of the Management Board of the Bank for the year 2020
  - 2.3 Decision on granting the approval of action to members of the Supervisory Board of the Bank for the year 2020
3. Decision on the appointment of the external auditor who shall conduct the audit of the Bank's financial statements for the year 2021
4. Decision on the withdrawal (delisting) of the shares of Privredna banka Zagreb d.d. from the regulated market - Zagreb Stock Exchange Inc.
5. Decision authorising the Management Board of the Bank to acquire own shares
6. Decision on the suitability of members of the Supervisory Board of the Bank based on the regular suitability assessment
7. Decision on the amendments to Articles 10, 15, 49, 57 and 67 of the Articles of Association of Privredna banka Zagreb d.d.

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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 27 April 2021, at the same location, beginning at the same time, and the Agenda of the meeting will remain the same.

If after calling the General Meeting of the Bank any circumstances arise concerning the SARS-CoV-2 virus pandemic or any other natural disaster that make it impossible to hold the General Meeting of the Bank, the Management Board of the Bank will make a decision on its revocation.

***Dinko Lucić, sgd.***  
***President of the Management Board***

Zagreb, 3 March 2021  
No.: MB\_6\_21/2.1

**PRIVREDNA BANKA ZAGREB d.d.  
SUPERVISORY BOARD**

Pursuant to Article 263, par. 3 and Articles 300.c and 300.d of the Companies Act and Article 53 of the Articles of Association of Privredna banka Zagreb d.d. (hereinafter: the Bank), the Supervisory Board of the Bank submits to the General Meeting of the Bank the

**R E P O R T**  
**on supervision exercised over the conduct of business affairs**  
**in Privredna banka Zagreb d.d. in 2020**

I.

In 2020 the Supervisory Board of the Bank performed its duties as a body composed of seven members. Having obtained the approval of the Croatian National Bank, Ms Beáta Kissné Földi and Mr Paolo Vivona started their terms of office in February. They were elected as members of the Supervisory Board at the General Meeting held in November 2019 following the resignation of Mr Adriano Arietti and Mr Paolo Sarcinelli. In the course of the year, Ms Đurić, deputy president, and Mr Giulio Moreno, member of the Supervisory Board, embarked on another three-year term of office. When the term of office of Mr Paolo Vivona ended on account of his resignation from the Supervisory Board, Mr Luca Leoncini Bartoli, elected at the General Meeting in July 2020, started his term of office as a member of the Supervisory Board in August, after obtaining the approval of the Croatian National Bank. According to the provisions of the Croatian National Bank's Decision on governance arrangements, the Bank made sure that independent members make part of the Supervisory Board of the Bank. 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 2020, the Supervisory Board held 20 meetings, which were mainly held, due to the SARS-CoV-2 pandemic, by 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,

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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 2020, 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, and especially taking into account the Bank's operations amid the SARS-CoV-2 virus pandemic and the devastating earthquakes in Zagreb and Sisak-Moslavina County, the Supervisory Board finds that in 2020 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 2020 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

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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 2020 the Audit Committee had three members appointed by the Supervisory Board from among Supervisory Board members. Five Audit Committee meetings were held in 2020 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 (internal audit, risk control, 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 2020 the Bank held planned meetings of the Remuneration Committee, the Nomination Committee, and the Risk Committee. These Committees have three members, all of whom are members of the Supervisory Board, and they 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 2020, the report of condition of the Bank and its subsidiaries, and the draft decision on the allocation of the Bank's profit earned in 2020, 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 2020 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 2020, 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 816,991,604.32 (after taxation), earned in the year ended on 31 December 2020, should be allocated in the manner proposed by the Management Board of the Bank.

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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 2020 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 2020, 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, which were carried out for a major part of 2020 amid the circumstances of the SARS-CoV-2 virus pandemic and the devastating earthquakes in Zagreb and Sisak-Moslavina County, 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 2020 were confirmed, constitute an integral part of this Report.

***Ignacio Jaquotot, sgd.***

***President of the Supervisory Board***

In Zagreb, 5 March 2021

No.: SB\_4\_21/4.1

**PRIVREDNA BANKA ZAGREB d.d.  
MANAGEMENT BOARD**

Pursuant to Article 39 of the Articles of Association of Privredna banka Zagreb d.d. (hereinafter: the Bank), the Management Board of the Bank adopted at its 6A\_21 meeting, held on 4 March 2021 the following

**DECISION**

**on the Annual financial statements of the Bank for 2020**

1. The Management Board of the Bank compiled the Annual financial statements of the Bank for the year 2020, which are as stated below:

**a) Balance sheet** (in HRK million)

	2020 Subtotal	2020 Grand total
Total assets		<b>95,924</b>
Total liabilities	80,373	
Shareholders' equity	15,551	
Total liabilities and shareholders' equity		<b>95,924</b>
Off-balance sheet assets		<b>17,353</b>

**b) Income statement** (in HRK million)

	2020 Subtotal	2020 Grand total
Operating income		3,043
Provisions (net)	(455)	
Other operating expenses	(1.379)	
Depreciation and amortization	(175)	
		(2,099)
Profit before income taxes		1,034
Income taxes		(217)
Net profit for the year		<b>817</b>

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**c) Cash flow statement** (in HRK million)

	2020 Grand total
Cash and cash equivalents at the beginning of the year	21,407
Cash and cash equivalents at the end of the year	26,347
Net increase in cash and cash equivalents	<b>4,940</b>

**d) Notes to financial statements**

2. The Management Board Decision on the Annual financial statements of the Bank for 2020, No.: MB\_6\_21/1.1.1 of 3 March 2021 is hereby repealed.
3. The *Annual financial statements of the Bank for the year 2020* shall be submitted to the Supervisory Board of the Bank for examination and for consent.
4. This Decision shall enter into force on the date when it has been adopted.

***Dinko Lucić, sgd.***

***President of the Management Board***

In Zagreb, 4 March 2021

No.: MB\_6A\_21/1.1.1



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**PRIVREDNA BANKA ZAGREB d.d.**  
**SUPERVISORY BOARD**

Pursuant to Article 53 of the Articles of Association of Privredna banka Zagreb d.d. (hereinafter: the Bank) and Article 300.d of the Companies Act, the Supervisory Board of the Bank adopted at its 4\_21 meeting, held on 5 March 2021, the following

**DECISION**  
**on the Annual financial statements of the Bank for 2020**

1. Consent is hereby given with respect to the below stated Annual financial statements of the Bank for the year 2020, which were compiled by the Management Board of the Bank:

**a) Balance sheet** (in HRK million)

	2020 Subtotal	2020 Grand total
Total assets		<b>95,924</b>
Total liabilities	80,373	
Shareholders' equity	15,551	
Total liabilities and shareholders' equity		<b>95,924</b>
Off-balance sheet assets		<b>17,353</b>

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Net increase in cash and cash equivalents	<b>4,940</b>

**d) Notes to financial statements**

2. After the Supervisory Board of the Bank has given its consent with respect to the Annual financial statements of the Bank for 2020, the mentioned financial statements shall be considered confirmed by the Management Board and by the Supervisory Board of the Bank.
3. This Decision shall enter into force on the date when it has been adopted.

***Ignacio Jaquotot, sgd.***  
***President of the Supervisory Board***

In Zagreb, 5 March 2021

No.: SB\_4\_21/3.1

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**PRIVREDNA BANKA ZAGREB d.d.**  
**MANAGEMENT BOARD**

Pursuant to Article 39 of the Articles of Association of Privredna banka Zagreb d.d. (hereinafter: the Bank), the Management Board of the Bank adopted at its 6A\_21 meeting, held on 4 March 2021, the following

**DECISION**  
**on the consolidated annual financial statements for 2020**

1. The Management Board of the Bank compiled the consolidated annual financial statements of the Bank for 2020, which are as stated below:

**a) Balance sheet** (in HRK million)

	2020 Subtotal	2020 Grand total
Total assets		<b>128,322</b>
Total liabilities	109,698	
Shareholders' equity	18,624	
Total liabilities and shareholders' equity		<b>128,322</b>
Off-balance sheet assets		<b>20,737</b>

**b) Income statement** (in HRK million)

	2020 Subtotal	2020 Grand total
Operating income		4,297
Provisions (net)	(607)	
Other operating expenses	(2,170)	
Depreciation and amortization	(238)	
		<b>(3,015)</b>
Income arising from investments accounted by net equity method		10
Profit before income taxes		1,292
Income taxes		(267)
Net profit for the year		<b>1,025</b>
Attributable to:		
Equity holders of the Bank		978
Non-controlling interests		47

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**c) Cash flow statement** (in HRK million)

	2020
	Grand total
Cash and cash equivalents at the beginning of the year	26,234
Cash and cash equivalents at the end of the year	31,879
Net increase in cash and cash equivalents	<b>5,645</b>

**d) Notes to financial statements**

2. The Management Board Decision on the consolidated annual financial statements for 2020, No.: MB\_6\_21/1.1.2 of 3 March 2021 is herewith repealed.
3. *The consolidated annual financial statements for the year 2020* shall be submitted to the Supervisory Board of the Bank for examination and for consent.
4. This Decision shall enter into force on the date when it has been adopted.

***Dinko Lucić, sgd.***

***President of the Management Board***

In Zagreb, 4 March 2021

No.: MB\_6A\_21/1.1.2

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**PRIVREDNA BANKA ZAGREB d.d**  
**SUPERVISORY BOARD**

Pursuant to Article 53 of the Articles of Association of Privredna banka Zagreb d.d. (hereinafter: the Bank) and Article 300.d of the Companies Act, the Supervisory Board of the Bank adopted at its 4\_21 meeting, held on 5 March 2021, the following

**DECISION**  
**on the consolidated annual financial statements for 2020**

1. Consent is hereby given with respect to the below stated consolidated annual financial statements of the Bank for 2020, which were compiled by the Management Board of the Bank:

**a) Balance sheet** (in HRK million)

	2020 Subtotal	2020 Grand total
Total assets		<b>128,322</b>
Total liabilities	109,698	
Shareholders' equity	18,624	
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**b) Income statement** (in HRK million)

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Income taxes		(267)
Net profit for the year		<b>1,025</b>
Attributable to:		
Equity holders of the Bank		978
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	2020 Grand total
Cash and cash equivalents at the beginning of the year	26,234
Cash and cash equivalents at the end of the year	31,879
Net increase in cash and cash equivalents	<b>5,645</b>

**d) Notes to financial statements**

2. After the Supervisory Board of the Bank has given its consent with respect to the consolidated annual financial statements for 2020, the mentioned financial statements shall be considered confirmed by the Management Board and by the Supervisory Board of the Bank.
3. This Decision shall enter into force on the date when it has been adopted.

***Ignacio Jaquotot, sgd.***  
***President of the Supervisory Board***

In Zagreb, 5 March 2021

No.: SB\_4\_21/3.2

**PRIVREDNA BANKA ZAGREB d.d.  
ANNUAL GENERAL MEETING**

Pursuant to Article 55 of the Articles of Association of Privredna banka Zagreb d.d. (hereinafter: the Bank), the shareholders at the Annual General Meeting of the Bank held on 26 April 2021 made the following

**D E C I S I O N**  
**on the allocation of the Bank's profit earned in 2020**

1. It is hereby ascertained that the Bank, in the year ended on 31 December 2020, earned net profit (i.e. profit after tax), in the amount of **HRK 816,991,604.32**.
2. Net profit of the Bank referred to in paragraph 1 above shall be allocated to other reserves. These other reserves have no specific purpose and can be used, inter alia, for potential future dividend payment upon expiry of temporary restriction period defined by the Decision of the Croatian National Bank on Temporary Restriction of Distributions dated 14 January 2021 (Official Gazette no. 4/2021). Such other reserves shall not be considered as common equity tier 1 capital (CET 1) pursuant to Art. 26 par. 1 of the Regulation (EU) 575/2013.
3. It is hereby ascertained that the total accumulated retained earnings of the Bank amount to HRK 10,868,075,970.67 on the date of adoption of this Decision.
4. This Decision shall enter into force on the date of its adoption.

***Chairman of the General Meeting***

In Zagreb, 26 April 2021

No.: AGM \_2\_21/2.1

**PRIVREDNA BANKA ZAGREB d.d.  
ANNUAL GENERAL MEETING**

Pursuant to Article 55 of the Articles of Association of Privredna banka Zagreb d.d. (hereinafter: the Bank), the shareholders at the Annual General Meeting of the Bank held on 26 April 2021 made the following

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

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

1. After the Annual financial statements for 2020 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 2020.
2. This Decision shall enter into force on the date when it has been adopted.

***Chairman of the General Meeting***

In Zagreb, 26 April 2021

No.: AGM\_2\_21/2.2



**PRIVREDNA BANKA ZAGREB d.d.  
ANNUAL GENERAL MEETING**

Pursuant to Article 55 of the Articles of Association of Privredna banka Zagreb d.d. (hereinafter: the Bank), the shareholders at the Annual General Meeting of the Bank held on 26 April 2021 made the following

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

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

1. After the Annual financial statements for 2020 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 2020.
2. This Decision shall enter into force on the date when it has been adopted.

***Chairman of the General Meeting***

In Zagreb, 26 April 2021

No.: AGM \_2\_21/2.3

**PRIVREDNA BANKA ZAGREB d.d.  
ANNUAL GENERAL MEETING**

Pursuant to Article 55 of the Articles of Association of Privredna banka Zagreb d.d. (hereinafter: the Bank), the shareholders at the Annual General Meeting of the Bank held on 26 April 2021 made 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 2021**

1. The audit firm **Ernst & Young d.o.o.**, Radnička cesta 50, Zagreb, is hereby appointed as the external auditor that shall conduct the audit of the financial statements of the Bank for the year 2021.
2. This Decision shall enter into force on the date when it has been adopted.

***Chairman of the General Meeting***

In Zagreb, 26 April 2021

No.: AGM\_2\_21/3

**PRIVREDNA BANKA ZAGREB d.d.  
ANNUAL GENERAL MEETING**

Pursuant to Article 55 of the Articles of Association of Privredna banka Zagreb d.d. (hereinafter: the Bank), the shareholders at the Annual General Meeting of the Bank held on 26 April 2021 made the following

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

**on the withdrawal (delisting) of the shares of Privredna banka Zagreb d.d. from the regulated market - Zagreb Stock Exchange Inc.**

1. The company withdraws from listing on the regulated market – Zagreb Stock Exchange Inc. Zagreb, Ivana Lučića 2a/22 (hereinafter: Zagreb Stock Exchange) all the listed shares, namely 19,074,769 (in words: nineteen million seventy-four thousand seven hundred and sixty-nine) ordinary shares with a nominal value of HRK 100.00, issued in dematerialised form and deposited in the Central Depository and Clearing Company Inc. under ticker PBZ-R-A, ISIN HRPBZ0RA0004.

The Bank is entered in the register of the Commercial Court in Zagreb under no. 080002817, tax number: 3269841, TIN: 02535697732.

The share capital of the Bank amounts to HRK 1,907,476,900.00 and is fully paid up and divided into 19,074,769 shares, each with a nominal value of HRK 100.00 per share.

2. According to the provisions of Art. 341, par. 3 of the Capital Market Act, the Bank commits to buy out the shares, at a fair price, from all the Bank's shareholders who vote against the decision on the withdrawal of shares of Privredna banka Zagreb d.d. from the regulated market of the Zagreb Stock Exchange and require from the Bank, according to Art. 341, par. 5, that the Bank takes over their shares, and shall do so no later than three months from the date of entry of the Decision on the withdrawal (delisting) of the shares of Privredna banka Zagreb d.d. from the regulated market – Zagreb Stock Exchange in the court register.
3. Given that the Bank's shares were traded on more than one third of trading days in the last three months prior to the publication of the notice of this General Meeting in the Company's journal, the fair price shall be the average price of the Bank's shares achieved on the regulated market, calculated as the weighted average of all the prices achieved on the regulated market in the last three months prior to the publication of the notice of the general meeting, in line with Article 341, par. 9 of the Capital Market Act.
4. The Management Board shall be required to submit the application for entry of this Decision in the court register of the Commercial Court in Zagreb immediately after the adoption of this Decision.
5. This Decision shall enter into force on the date of its entry in the court register of the Commercial Court in Zagreb if passed by a majority of nine tenths of votes cast

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according to Article 341, par. 7, subpar. 1 of the Capital Market Act, and in all other cases upon expiry of six months from the date of entry of this Decision in the court register of the Commercial Court in Zagreb.

6. The Management Board shall be required, after entry of this Decision in the court register of the Commercial Court in Zagreb, to inform the Zagreb Stock Exchange without delay about this Decision by sending this Decision and the court's decision on entry of this Decision in the court register of the Commercial Court in Zagreb.

***Chairman of the General Meeting***

In Zagreb, 26 April 2021

No.: AGM\_2\_21/4

**PRIVREDNA BANKA ZAGREB d.d.  
ANNUAL GENERAL MEETING**

Pursuant to Article 55 of the Articles of Association of Privredna banka Zagreb d.d. (hereinafter: the Bank), the shareholders at the Annual General Meeting of the Bank held on 26 April 2021 made the following

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

**authorising the Management Board of the Bank to acquire own shares**

1. Pursuant to Article 233, par. 1 of the Companies Act (Official Gazette 111/1993, 34/1999, 121/1999, 52/2000, 118/2003, 107/2007, 146/2008, 137/2009, 111/2012, 125/2011, 68/2013, 110/2015, 40/2019; hereinafter: CA) and based on the CNB's Decision no. 43-091/02-21/BV of 25 February 2021 on granting the approval for the acquisition of own shares, issued on the basis of the prior specific instruction of the ECB no. ECB-SSM-2021-HR-4 of 23 February 2021, the General Meeting authorises the Management Board to acquire own shares from the Bank's shareholders voting against the Decision of the General Meeting on the withdrawal of the Bank's shares from the regulated market, without any further consents of the General Meeting and on the conditions from the subject Decision of the General Meeting for a maximum number of 425.534 shares.
2. This Decision shall enter into force on the date of its adoption.

***Chairman of the General Meeting***

In Zagreb, 26 April 2021

No.: AGM\_2\_21/5

**PRIVREDNA BANKA ZAGREB d.d.  
ANNUAL GENERAL MEETING**

Pursuant to Article 55 of the Articles of Association of Privredna banka Zagreb d.d. (hereinafter: the Bank), Article 19, par. 3 and Article 22, par. 1 of the 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 (Official Gazette 93/2018), the shareholders at the Annual General Meeting of the Bank held on 26 April 2021 made the following

**DECISION  
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**, Ms **Beata Kissné Földi**, Mr **Giulio Moreno**, Mr **Christophe Velle** and Mr **Luca Leoncini Bartoli**, 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.

***Chairman of the General Meeting***

In Zagreb, 26 April 2021

No.: AGM \_2\_21/6

**PRIVREDNA BANKA ZAGREB d.d.  
ANNUAL GENERAL MEETING**

Pursuant to Article 55 of the Articles of Association of Privredna banka Zagreb d.d. (hereinafter: the Bank), the shareholders at the Annual General Meeting of the Bank held on 26 April 2021 made the following

**DECISION**

**on the amendments to Articles 10, 15, 49, 57, and 67  
of the Articles of Association of Privredna banka Zagreb d.d.**

**Article 1**

**III. ACTIVITIES TO BE CARRIED OUT BY THE BANK**

In Article 10, item 8, after subitem 6 the comma is deleted and new subitems 7) and 8) are added that read as follows:

- 7) payment initiation service;
- 8) account information service,

**Article 2**

**VI. ANNOUNCEMENTS**

Article 15 is amended to read as follows:

„(1) The Bank shall publish data and make announcements on the website of the court register when the obligation to publish them arises from the law and by-laws of the Bank.

(2) The publication of the data and announcements referred to in par. 1 above shall be timely, objective, true, and complete, as stipulated by the law and by-laws of the Bank.

(3) The data and announcements referred to in par. 1 above may be published also in other bulletins, including electronic information media, according to the decision of the Management Board of the Bank.

(4) The Bank shall provide its shareholders and other users of its services with regular, timely, objective, true, complete and user-friendly reporting as is stipulated by the law and by-laws of the Bank.”

**Article 3**

**XIII. BODIES OF THE BANK**

**2. THE SUPERVISORY BOARD OF THE BANK**

Article 49, par. 3 is amended to read as follows:

„(3) The Supervisory Board of the Bank shall set up the Audit Committee and adopt its rules of procedure. The composition of the Audit Committee shall be established by the rules of

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procedure of the Audit Committee. The Audit Committee shall perform the tasks laid down by the provisions of the valid act regulating audit activities and the Committee's rules of procedure. The Audit Committee shall regularly report to the Supervisory Board of the Bank on its activities.”

#### **Article 4**

### ***XIII. BODIES OF THE BANK***

#### **3. THE GENERAL MEETING OF THE BANK**

Article 57 of the Articles of Association is amended to read as follows:

„(1) Those shareholders of the Bank who are registered as shareholders of the Bank with the Central Depository & Clearing Company six (6) days inclusive prior to the General Meeting of the Bank (record date) shall be entitled to participate in or vote at the General Meeting of the Bank provided that they state in an application to the Bank that they intend to participate in or vote at the General Meeting of the Bank and that the application is received by the Bank at the address indicated in the notice no later than six (6) days before the General Meeting of the Bank. The time limit does not include the day when the Bank receives the application.”

#### **Article 5**

### ***XVI. REPORTING***

Article 67 and the heading above are deleted.

#### **Article 6**

The Supervisory Board of the Bank is hereby authorised to establish the *consolidated text of the Articles of Association*.

#### **Article 7**

This Decision shall enter into force on the date of its entry in the court register.

***Chairman of the General Meeting***

In Zagreb, 26 April 2021

No.: AGM\_2\_21/7



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## EXPLANATION OF PROPOSED DECISIONS

### 1. **The Supervisory Board Report on supervision exercised over the conduct of business affairs in the Bank in 2020**

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**.*

### 2. **Decisions enclosed with the Annual Financial Statements and Consolidated Annual Financial Statements for 2020:**

#### 2.1 **Decision on the allocation of the Bank's profit earned in 2020**

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

#### 2.2 **Decision on granting the approval of action to members of the Management Board of the Bank for the year 2020**

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 **Decision on granting the approval of action to members of the Supervisory Board of the Bank for the year 2020**

(The explanation is the same as under 2.2 above)

### 3. **Decision on the appointment of the external auditor who shall conduct the audit of the Bank's financial statements for the year 2021**

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 Ernst & Young d.o.o., Zagreb to conduct the audit of the Bank's financial statements for 2021.

### 4. **Decision on the withdrawal (delisting) of the shares of Privredna banka Zagreb d.d. from the regulated market - Zagreb Stock Exchange d.d.**

According to the provisions of Art. 275 of the Companies Act, a proposal is put forth to the General Meeting of the Bank to adopt the Decision on the withdrawal (delisting) of the shares of Privredna banka Zagreb d.d. from the regulated market - Zagreb Stock Exchange Inc.

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The fact that solely the Bank's shares representing less than 3% of the Bank's share capital are distributed to the public, substantial costs arising from the maintenance of the listing, and the optimisation of business activities of the Bank are the main reasons for the withdrawal of the Bank's shares from the regulated market.

**5. Decision authorising the Management Board of the Bank to acquire own shares**

In order to meet its legal obligation to buy out the shares from all the Bank's shareholders voting against the Decision on the withdrawal (delisting) of the shares of Privredna banka Zagreb d.d. from the regulated market - Zagreb Stock Exchange Inc., since the Bank has obtained the necessary approvals for the buy-back of own shares, the Management Board is given the authority to acquire own shares without any further consents of the General Meeting and on the conditions from the subject Decision of the General Meeting for a maximum of 425,534 shares.

**6. Decision on the suitability of members of the Supervisory Board of the Bank based on the regular suitability assessment**

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.*

**7. Decision on the amendments to Articles 10, 15, 49, 57 and 67 of the Articles of Association of Privredna banka Zagreb d.d.**

**Article 1** of the Decision proposes to adjust the Bank's activities to the scope of payment services laid down by the provision of Article 4 of the Payment System Act.

**Article 2** of the Decision proposes that Article 15 of the Articles of Association be amended by merging the provisions of Article 15 and Article 67 of the Articles of Association, which govern identical matters, into a single provision for the purpose of a clearer and more systematic definition of the matter of the Bank's announcements.

**Article 3** proposes the amendments to par. 3, Article 49 of the Articles of Association in order to align with the most recent amendments to Article 65 of the Audit Act.

**Article 4** of the Decision proposes the amendments to par. 1, Article 57 of the Articles of Association in a way that participation in the General Meeting of the Bank is made conditional upon submission of the application to participate 6 days ahead of the General Meeting. The proposed amendments are primarily technical and allow better preparation for the General Meeting, especially taking into account the technological solutions for holding the General Meeting provided for in the Bank's Articles of Association (exercise of shareholders' rights by means of electronic communication). The proposed amendments are in line with the provision of Article 279, par. 2 of the Companies Act and the practice of leading companies in the Republic of Croatia.

**Article 5** of the Decision proposes deletion of Article 67 of the Articles of Association for the purpose of uniform regulation of the matter of announcements and communications of the Bank within the proposed new Article 15 of the Articles of Association.

Zagreb, 8 March 2021

***Privredna banka Zagreb d.d.***