



PRIVREDNA BANKA ZAGREB

Intesa Sanpaolo Group

Extraordinary General Meeting

1 June 2023

(material)

PRIVREDNA BANKA ZAGREB d.d.
MANAGEMENT BOARD

Pursuant to Article 38 of the Articles of Association of Privredna banka Zagreb d.d. (hereinafter: the Bank) and Article 277 of the Companies Act, the Management Board of the Bank adopted at its 12_23 meeting, held on 16 May 2023, the following

DECISION

to call the Extraordinary General Meeting

of **Privredna banka Zagreb d.d.**, Zagreb, Radnička cesta 50, which will be held on **1 June 2023**, beginning at **12.00 noon**, on the Bank's premises in Zagreb, Radnička cesta 44 B1 - 8th floor.

The Extraordinary General Meeting of the Bank shall consider the following

AGENDA

1. Decision on the acceptance of the ratio between variable and fixed components of the remuneration for 2022

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If a quorum stipulated by the Articles of Association of Privredna banka Zagreb d.d. is not constituted at this Extraordinary General Meeting, then the Extraordinary General Meeting will be held on 2 June 2023, at the same location, beginning at the same time, and the Agenda of the meeting will remain the same.

Dinko Lucić, sgd.

President of the Management Board

In Zagreb, 16 May 2023

No.: MB_12_23/11.1

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

Pursuant to Article 54 of the Articles of Association of Privredna banka Zagreb d.d. (hereinafter: the Bank) and Article 100.a of the Credit Institution Act (Official Gazette 159/13, 19/15, 102/15, 15/18, 70/19, 47/20, 146/20 and 151/22), the Extraordinary General Meeting of the Bank held on 1 June 2023 made the following

DECISION

**on the acceptance of the ratio of variable to fixed
remuneration for 2022**

I.

In line with the level of performance achieved and according to what is foreseen by ISP Group Remuneration Discipline for ISP Group Risk Takers, and to enable the implementation of the long-term incentive plan - Performance Share Plan, 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, except for those belonging to the Control Functions, up to a 200% maximum limit all in line with the applicable regulatory framework.

Further to the foregoing, the maximum amount of variable remuneration up to 200% of the fixed remuneration of each of Group Risk Takers which there are 3, as of 31st December 2022 in total within the scope of aforementioned range who hold the following functions:

1. Privredna banka Zagreb d.d.: President of the Management Board, former Deputy President of the Management Board, Member of the Management Board Responsible for the Corporate & SME Division.

The purpose of the proposed acceptance of higher ratio is not to automatically increase the variable remuneration to the aforementioned Risk Takers, but only to create preconditions for enabling a variable remuneration of more than 100%, according to PBZ Group Remuneration and Incentive Policies.

II.

The higher cap referred to in item I of this Decision is determined in accordance with 2022 PBZ Group Remuneration and Incentive Policies and in compliance with the valid Remuneration and Incentive Policies of the Parent Company for 2022.

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.

Chairman of the General Meeting

In Zagreb, 1 June 2023

No.: EGM_3_23/1

EXPLANATION OF PROPOSED DECISIONS

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, the above stated ratio between variable and fixed remuneration for 2022 is proposed for the PBZ Group Risk Takers who are identified as ISP Group Risk Takers as well, except for those belonging to the Control Functions.

In line with the above mentioned the proposed Decision relates to each of Group Risk Takers which there are 3 in total within the scope of aforementioned range who hold the following functions:

- Privredna banka Zagreb d.d.: President of the Management Board, former Deputy President of the Management Board and Member of the Management Board Responsible for the Corporate & SME Division.

The purpose of the proposed acceptance of a higher ratio is not to automatically increase the variable remuneration to the Risk Takers listed above, but to create preconditions for enabling a variable remuneration of more than 100%, especially taking into account this would enable the implementation of long-term incentive plan - Performance Share Plan, and all in accordance with the provisions of the valid regulations of the Republic of Croatia and internal acts of PBZ Group and ISP Group.

Considering all the risks that the Bank is exposed to, as well as the cost of capital required and necessary liquidity, assuming all the above mentioned three employees would receive a variable remuneration even on maximum level, i.e. 200% of their fixed remuneration, the total amount of variable remuneration will not have a negative influence on the maintenance of an adequate level of capital, 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.

Zagreb, May 2023

Privredna banka Zagreb d.d.