

Extraordinary General Meeting

20 November 2019

(explanation of proposed decisions)

Agenda

1. Decision on the suitability of candidates for members of the Supervisory Board of the Bank
2. Decision on the election of three members of the Supervisory Board of the Bank

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1. Decision on the suitability of candidates for members of the Supervisory Board of the Bank

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.

The three-year terms of office of two members of the Supervisory Board will expire in 2020, namely that of Mr Adriano Arietti on 22 February 2020 and of Ms Draginja Đurić, Deputy President of the Supervisory Board, on 1 April 2020.

A proposal is made to re-elect Ms Draginja Đurić to the Supervisory Board, to elect Ms Beáta Kissné Földi to the Supervisory Board as an independent member to replace Mr Arietti after the expiry of his term of office, and to elect Mr Paolo Vivona as a new member of the Supervisory Board instead of Mr Paolo Sarcinelli, resigning from the Supervisory Board.

Before submitting the draft decision to the Extraordinary General Meeting, a suitability assessment of the three candidates for members of the Supervisory Board: Ms Đurić, Ms Kissné Földi and Mr Vivona, 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.

2. Decision on the election of three members of the Supervisory Board of the Bank

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 Ms Đurić, Ms Kissné Földi and Mr Vivona 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 Extraordinary General Meeting of the Bank the proposal to elect Ms Đurić, Ms Kissné Földi and Mr Vivona 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.

Zagreb, 17 October 2019

Privredna banka Zagreb d.d.