

REMUNERATION COMMITTEE TERMS OF REFERENCE (FROM THE CHARTER OF THE COMMITTEE)

1.1.1 General Provisions

The Remuneration Committee (hereinafter referred to as the "Remuneration Committee" or "Committee") of PBZ d.d. (hereinafter referred to as the "Bank") is a body established by a decision of the Supervisory Board of the Bank in accordance with the local regulatory requirements, the Bank's Articles of Association and the Parent Company's Guidelines on Remuneration. The competence of the Bank's Supervisory Board's Remuneration Committee extends also to the Bank's subsidiaries.

1.1.3 The Committee's Responsibilities and Competencies

1. The Remuneration Committee shall have fundamental role in preparing the Supervisory Board's decisions regarding remuneration of employees, including those which have implications for the Bank's risk exposure and risk management, and in guaranteeing the compliance with the relevant legislation and Intesa Sanpaolo Group Remuneration Policies (hereinafter referred to as "Group Remuneration Policies"). Details of remuneration shall be laid down by the Bank's Remuneration Policies. The Bank's Remuneration Policies shall apply only to selected positions as laid down by the Bank Remuneration Policies. The Bank's Remuneration Policies and any of its amendments shall be consulted with the Remuneration Committee prior to their approval. The Bank's Remuneration Policies shall be established by the Management Board of the Bank subject to the Supervisory Board's approval and the Management Board shall be responsible for its implementation. The Supervisory Board of the Bank shall establish and review regularly the basic principles of the remuneration policy and shall be responsible for overseeing its implementation.
2. The Remuneration Committee:
 - a. shall independently assess the remuneration principles and provide support for the Supervisory Board of the Bank in the establishment and regular review of the basic principles of the Remuneration Policies of the selected positions and their impact on the management of risk, own funds and liquidity; the findings of the Committee shall be submitted to Supervisory Board of the Bank;
 - b. shall review – involving the Bank's control functions – the Remuneration Policies at least on an annual basis and assess the compliance of its implementation with the Bank's policies and possible procedures for remuneration and with the

relevant regulations, standards, principles and codes. A report on the conducted procedure must be submitted to the Bank's Management and Supervisory Boards and to the persons responsible for the operation of the Bank's control functions. If deficiencies in the Remuneration Policies or in its implementation are identified then the Supervisory Board shall adopt a remedial plan and start with its implementation without delay;

- c. shall provide support and advice to the Bank's Management Board on the design of the Remuneration Policies;
 - d. shall be responsible that the Bank, at least once a year, has formally reviewed a number of different scenarios for testing how the Remuneration Policies and its implementation will react to future external and internal events, as well as for conducting back-testing;
 - e. shall make proposals to the Supervisory Board regarding the engagement of consultants for the Remuneration Policies and its implementation;
3. The Remuneration Committee shall prepare the Supervisory Board's decisions (i) on the total amount of variable remuneration which the Bank determines for all of its employees in a business year for a certain assessment period, (ii) on an individual basis on the remuneration of the Management Board members and persons responsible for the operation of control functions and (iii) on the reduction or non payment of variable remuneration to employees, including the application of malus or clawback clauses, in case of significant downturn in the performance or losses of the Bank.
4. Each Member of the Remuneration Committee shall have right to access all files and decisions considering the Bank's remuneration policies and selected positions.

In performing its duties the Remuneration Committee shall take into account the long-term interests of shareholders, investors and other stakeholders of the Bank and the public interest.