

The Management Board of Hrvatska poštanska banka p.l.c. (hereinafter referred to as the Bank), Zagreb, Jurišićeva 4, by virtue of the authority vested in it under Article 277 of the Companies Act (Official Gazette No. 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) and Article 24 of the Articles of Association of the Bank, made on June 18, 2020 the decision on convocation of the General Meeting of the Bank, and hereby invites the shareholders of the Bank to attend the

## XLVII GENERAL MEETING

**of Hrvatska poštanska banka p.l.c., Zagreb, to be held on August 3, 2020 at the Hotel Academia (Gloria hall, 1<sup>st</sup> floor), Zagreb, Tkalčićeva 88, at 12:00 (noon).**

XLVII General Meeting

### Agenda:

1. Opening of the General Meeting and establishment of a list of present shareholders or their proxies;
2. Annual financial statements of Hrvatska poštanska banka p.l.c. and consolidated annual financial statements of Hrvatska poštanska banka Group for 2019, confirmed by the Management Board and the Supervisory Board of the Bank, and the Management Board's Annual Report of Condition of Hrvatska poštanska banka p.l.c. and its subsidiaries for 2019;
3. Report of the Supervisory Board on the supervision exercised over the conduct of business affairs of the Bank in 2019;
4. Resolution on the allocation of the profit earned in 2019;
5. Resolution on the approval of the Management Board members' actions for the period of January 1 to September 10, 2019;
6. Resolution on the approval of the Management Board members' actions for the period of September 11 to December 31, 2019;
7. Resolution on the approval of the Supervisory Board members' actions;
8. Resolution on determination of remunerations to the members of the Supervisory Board;
9. Resolution on the appointment of the auditor of Hrvatska poštanska banka p.l.c. for the year 2020;
10. Resolution on the suitability of the members of the Supervisory Board of Hrvatska poštanska banka p.l.c.;
11. Resolution on changes and amendments to article 3, article 8, article 24, article 25 and article 26 of the Bank's Articles of Association;

The shareholders are invited to participate in the General Meeting.

## PROPOSED RESOLUTIONS AND EXPLANATORY NOTES

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Under Agenda **Item 2** the General Meeting does not pass resolutions.

*In accordance with the provision of Article 280.a of the Companies Act, the shareholders are advised that the Supervisory Board of the Bank gave its consent for the annual financial statements of Hrvatska poštanska banka p.l.c. and consolidated financial statements of Hrvatska poštanska banka Group for 2019, submitted to the Supervisory Board by the Management Board of the Bank, and that in accordance with the provision of Article 300.d of the Companies Act these statements were thereby confirmed.*

*The Supervisory Board gave its consent for the Management Board's annual report of condition of Hrvatska poštanska banka p.l.c. and its subsidiaries for 2019, submitted to the Supervisory Board by the Management Board of the Bank.*

*The above annual financial statements and annual report of condition of the Bank and its subsidiaries, together with the report of the Supervisory Board are submitted to the General Meeting.*

[HPB Annual Report for 2019](#)

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### **Item 3** The Report submitted by the Supervisory Board to the General Meeting

## **REPORT on the supervision exercised over the conduct of business affairs of the Bank in 2019**

### **I**

In compliance with the resolutions passed at the General Meeting of the Bank and with the consent of the Croatian National Bank, in 2019, the composition of the Supervisory Board was the following: Marijana Miličević as president, Željko Lovrinčević as vice president and Marijana Vuraić Kudeljan as member. According to the decision of the General Assembly from 29 May 2017 and Decision of Croatian National Bank from 29 June 2017, mandate for the same composition of Supervisory Board was granted for next 4 years, and in the same composition Supervisory Board worked until the end of 2019.

### **II**

In 2019, the Supervisory Board held 4 meetings where many issues were discussed relating to the Bank's business, and many meetings via electronic mail in the situations where individual decisions required prompt resolution, of which the majority referred to the approvals of the Supervisory Board regarding the Bank's exposure to individual clients, in accordance with the legislation in force.

The supervisory function was facilitated through continuous cooperation between the Management Board and the Supervisory Board. The members of the Management Board of the Bank regularly attended the meetings of the Supervisory Board and within the scope of their competences reported on and explained individual topics in order that the Supervisory Board could take its position and make required decisions, and the Supervisory Board could at any time seek and obtain from the Management Board information on all matters regarding the Bank's business. The meetings of the Supervisory Board were attended if necessary also by individual executive directors of departments and directors of offices who provided all required supplementary explanations that contributed to the Supervisory Board's in-depth understanding of the relevant matters. In that regard, the Supervisory Board is of the opinion that the cooperation with the Management Board has been very successful.

### **III**

The Supervisory Boards has established the following committees: the Audit Committee, the Remuneration Committee, the Risk Management Committee and the Nomination Committee.

In 2019, the Audit Committee held 4 ordinary meetings where it discussed and decided on the matters that fall within its competence and responsibility, as regulated by the Decision whereby the Audit Committee was established and its Rules of Procedure. The Audit Committee had in 2019 three members in accordance with Article 65 paragraph 6 of the Audict Act, stipulating that at least 50% of the Audit Committee members should be independent, i.e. that the majority of its members should not have business or financial relation with the entity that is audited.

Pursuant to the Decision on the Appointment of Members of the Audit Committee, the Audit Committee currently made by Željko Lovrinčević, president, Zlatko Benčić, deputy chairman, Ivan Radeljak Novaković, member, of which 2/3 are independent.

Other committees have three members each, elected from amongst the members of the Supervisory Board and one of them is the president of the respective committee. In 2019, the Remuneration Committee held 2 meetings, the Risk Management Committee held 3 meetings and the Nomination Committee held 2 meetings. All committees also held a many meetings via electronic mail as needed. In August 2019, the Nominating Committee held 2 meetings via electronic mail in which all the needs of the decision on the appointment and suitability of the new President and members of the Management Board were made. At the meetings, the matters within the scope of competences and responsibilities of these committees were discussed and commented.

### **IV**

The Supervisory Board reviewed the reports of the auditor Ernst & Young d.o.o., Zagreb, Radnička 50 who conducted the audit of the annual financial statements and consolidated financial statements of the Bank for the year ended 31 December 2019, and accepted the auditor's reports.

The Supervisory Board reviewed the annual financial statements and consolidated financial statements of the Bank for the year ended 31 December 2019, submitted to it by the Management Board of the Bank, and established that the annual financial statements and consolidated financial statements of the Bank were prepared in accordance with the balances recorded in the business books and that they fairly disclosed the assets and the condition of the Bank. The Supervisory Board gives its consent for these, whereby in accordance with the provision of Article 300.d of the Companies Act these statements are considered to be confirmed.

The Supervisory Board gives its consent for the Management Board's annual report of condition of Hrvatska poštanska banka and its subsidiaries for the year ended 31 December 2019.

In compliance with its obligations and according to the supervision exercised in 2019, the Supervisory Board has concluded that Hrvatska poštanska banka plc has acted in accordance with the law, subordinate legislation, the Articles of Association and other bylaws of the Bank, and resolutions of the General Meeting.

#### V

The Supervisory Board was presented the proposal of the Management Board for 2019 profit allocation; thereby it has been established that Hrvatska poštanska banka plc earned in the year ended 31 December 2019 the after-tax profit totalling HRK 143.772.514,02. The Supervisory Board agrees with the proposal of the Management Board for profit allocation and proposes that the General Meeting adopts such decision.

#### VI

The Supervisory Board submits this Report to the General Meeting of the Bank and proposes that the General Meeting adopts the Management Board's proposal for the allocation of the profit for the year ended 31 December 2019.

*This Item is not put to the vote but the relevant Report is submitted for the General Meeting to take cognizance thereof.*

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Under Agenda **Item 4** the Management Board and the Supervisory Board propose that the General Meeting passes the following resolution:

#### **RESOLUTION on the allocation of the profit earned in 2019**

##### I

It is established that Hrvatska poštanska banka p.l.c. made in the year ended December 31, 2019 the net profit totaling HRK 143.772.514,02.

##### II

Pursuant to Articles 220 and 300b. the Companies Act, and Article 33 of the of the Articles of Association of the Bank , the profit established under item I of this Resolution is allocated in the following manner:

- to statutory reserve the amount of HRK 7.188.625,70,
- to other reserves the amount of HRK 64.697.631,31,
- to the retained earnings the amount of HRK 71.886.257,01.

##### III

This resolution shall enter into force on the day of its adoption.

#### **Explanatory Note to the Proposed Resolution**

*Due to the circumstances caused by COVID-19 virus pandemic, the Croatian National Bank, in its Decision dated March 20 2020, ordered the Bank to retain the net profit earned in 2019.*

*Accordingly, the Management Board and the Supervisory Board propose that all remaining profits, after distribution to statutory and other reserves, be allocated to retained earnings.*

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Under Agenda **Item 5** the Management Board and the Supervisory Board propose that the General Meeting passes the following resolution:

#### **RESOLUTION on the approval of the Management Board members' actions for the period of January 1 to September 10, 2019**

##### I

It is established that during the period 2019, from January 1 to September 10, 2019, the Management Board of the Bank was composed of:

- Tomislav Vuić, President of the Board
- Domagoj Karadjole, Member of the Board
- Mladen Mrvelj, Member of the Board

##### II

It is established that the members of the Management Board during the period of business year 2019 referred under item I of this Resolution the affairs of the Bank in accordance with the law and the Articles of Association, and are therefore granted the approval of their actions.

III

This resolution shall enter into force on the day of its adoption.

**Explanatory Note to the Proposed Resolution**

*Since the Management Board in the period from January 1 to September 10, 2019, managed the Bank's affairs in accordance with the law, the Articles of Association and resolutions passed by the General Meeting it is approved hereby the manner in which the Management Board managed the Bank's affairs in 2019.*

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Under Agenda **Item 6** the Management Board and the Supervisory Board propose that the General Meeting passes the following resolution:

**RESOLUTION**

on the approval of the Management Board members' actions  
for the period of September 11 to December 31, 2019

I

It is established that during the period 2019, from September 11 to December 31, 2019, the Management Board of the Bank was composed of:

- Marko Badurina, President of the Board
- Ivan Soldo, Member of the Board
- Anto Mihaljević, Member of the Board

II

It is established that the members of the Management Board during the period of business year 2019 referred under item I of this Resolution the affairs of the Bank in accordance with the law and the Articles of Association, and are therefore granted the approval of their actions.

II

This resolution shall enter into force on the day of its adoption.

**Explanatory Note to the Proposed Resolution**

*Since the Management Board in the period from September 11 to December 31, 2019, managed the Bank's affairs in accordance with the law, the Articles of Association and resolutions passed by the General Meeting it is approved hereby the manner in which the Management Board managed the Bank's affairs in 2019.*

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Under Agenda **Item 7** the Supervisory Board proposes that the General Meeting passes the following resolution:

**RESOLUTION**

**on the approval of the Supervisory Board members' actions**

I

It is established that the members of the Supervisory Board of the Bank performed in 2019 their functions in accordance with the law and the Articles of Association, and are therefore granted the approval of their actions.

II

This resolution shall enter into force on the day of its adoption.

**Explanatory Note to the Proposed Resolution**

*Since the Supervisory Board supervised the affairs of the Bank in accordance with the law, the Articles of Association and resolutions passed by the General Meeting, it is approved hereby the manner in which the Management Board performed its functions in 2019.*

Under Agenda **Item 8** the Management Board and the Supervisory Board propose that the General Meeting passes the following resolution:

**RESOLUTION**

**on determination of remunerations to the members of the Supervisory Board of the Bank**

I

The members of the Supervisory Board shall be paid a monthly remuneration in the net amount of HRK 2,000.00 in 2020.

II

This Resolution shall apply also to the period from January 1, 2021 until the adoption of the resolution on determination of remunerations to the members of the Supervisory Board of the Bank for 2021.

III

On the amount of the remuneration referred to in point I above, the Bank shall calculate and pay all the levies payable on the remunerations to the members of the Supervisory Board.

IV

This resolution shall enter into force on the day of its adoption.

**Explanatory Note to the Proposed Resolution**

*By this proposed resolution, the remuneration to the members of the Supervisory Board for 2020 has been brought into line with the current resolution of the majority owner of the Bank.*

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Under Agenda **Item 9** the Supervisory Board proposes that the General Meeting passes the following resolution:

**RESOLUTION**

**on the appointment of the auditor of Hrvatska poštanska banka p.l.c. for the year 2020**

I

The auditing firm BDO Croatia d.o.o. Zagreb, Trg John Fitzgerald Kennedy 6/b, is appointed as the auditor for Hrvatska poštanska banka p.l.c., for the year ending on 31 December 2020.

II

This resolution shall enter into force on the day of its adoption.

**Explanatory Note to the Proposed Resolution**

*By this proposed resolution, upon the recommendation of the Audit Committee of the Bank, it is proposed to appoint the auditing firm BDO Croatia d.o.o. Zagreb, Trg John Fitzgerald Kennedy 6/b as the auditor for the year 2020, which has all required resources to provide high quality audits of the financial statements of the Bank and HPB Group.*

Under Agenda **Item 10**, the Management Board, with the consent of the Nomination Committee, proposes that the General Meeting passes the following resolution:

**RESOLUTION**

**On the suitability of the Supervisory Board of Hrvatska poštanska banka p.l.c.  
on the basis of the regular yearly suitability assessment procedure**

I

Based on the regular yearly suitability assessment procedure for to perform the function of members of the Bank's Supervisory Board, each of the members of the Supervisory Board of Hrvatska poštanska banka p.l.c., namely:

- Marijana Miličević, Chairman
- Željko Lovrinčević, Deputy Chairman
- Marijana Vuraić Kudeljan, Member

is considered to be suitable to perform the function of member of the Supervisory Board of Hrvatska poštanska banka p.l.c.

II

It is assessed that the members of the Supervisory Board possess collectively i.e. as a whole required knowledge, skills and experience to supervise the Bank's business activities independently without undue influence, and understanding of the business and the significant risks of the credit institution.

### III

This resolution shall enter into force on the day of its adoption.

#### **Explanatory Note to the Proposed Resolution**

*In accordance with the Credit Institutions Act and the relevant Decision of the Croatian National Bank, a credit institution is obliged to conduct a regular annual assessment of the suitability of members of the Supervisory Board at least once a year in order to determine their suitability for the position to which they were appointed.*

*In accordance with the stated obligation, a procedure of regular annual assessment of the suitability of members of the Supervisory Board of the Bank was conducted and the members of the Supervisory Board of the Bank are considered to be appropriate for performing the respected functions.*

*The decision on the suitability of the members of the Supervisory Board, based on the proposal of the Management Board, with the opinion of the Nomination Committee, is made by the General Assembly of the Bank.*

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Under **Agenda item 11** the Bank's Management Board and Supervisory Board propose enactment of the following resolution:

#### **RESOLUTION on changes and amendments to article 3, article 8, article 24, article 25 and article 26 of the Bank's Articles of Association;**

##### I

Provision of article 3 of the Bank's Articles of Association is changed and reads as follows:

*„Information and notification of the Bank determined by law and Bank's Articles of Association shall be published on the internet site of the commercial court where court register is.“*

##### II

Provision of the article 8 of the Bank's Articles of Association is changed and reads as follows:

*„Share capital of the Bank is subscribed and paid-in in full.“*

##### III

Provision of the article 25 of the Bank's Articles of Association is changed and reads as follows:

*„Bank's General Assembly is convoked by a written notification published in the same manner as the notifications of the Bank, at least 30 days prior to its session. Day of publishing of invitation is not included in this time-period.“*

##### IV

Provision of article 26 of the Bank's Articles of Association is changed and reads as follows:

*“The right to participate at the General Assembly's work is granted to the Bank's shareholders that meet the following criteria:*

- a) they are listed as shareholders in the depository of CENTRAL DEPOSITORY & CLEARING COMPANY Inc. at least seven days prior to the date of the meeting of the General Assembly,*
- b) they have signed for participation at the General Assembly at most six days prior to the General Assembly.*

*Shareholders which do not comply with the conditions from this article or the invitation to the General Assembly do not have the right to participate at the General Assembly.*

*Shareholders at the General Assembly may be represented by their assignees. In order to participate at the General Assembly, assignees must comply with the conditions from this article and have a written authorization to act on behalf of their clients.*

*Assignees which do not comply with all conditions from this article and the invitation to the General Assembly do not have a right to participate at the General Assembly.”*

##### V

The aforementioned changes and amendments to the Articles of Association will be enacted by subscription at the competent court's registry.

#### **Explanatory note:**

Management Board and Supervisory Board propose this change to the Articles of Association in order to comply with the legislation.

## CONDITIONS APPLYING TO ATTENDING THE GENERAL MEETING AND EXERCISING VOTING RIGHTS

The Bank's share capital is divided into 2,024,625 ordinary registered shares, each with the nominal value of HRK 600.00, deposited in the depository with the CENTRAL CLEARING AND DEPOSITORY COMPANY Inc., coded HPB-R-A.

Each ordinary registered share shall give its holder the right to one vote at the General Meeting.

A shareholder may exercise the right to attend General Meeting and exercise voting right if a shareholder has notified intended attendance at the General Meeting not later than seven days before the date of the General Meeting i.e. **the last day for such notification being July 27, 2020.**

A shareholder is a person who is registered with the depository of the Central Clearing And Depository Company Inc. as a holder of shares on the last day set for the delivery of notifications of intended attendance at the General Meeting. The notifications of intended attendance at the General Meeting may be delivered directly to the Bank at its offices in Zagreb, Jurišićeva 4, or may be sent to the Bank by registered mail to the following address: Hrvatska poštanska banka d.d., Ured Uprave, Jurišićeva 4, 10000 Zagreb.

Legal persons shall attach to their notifications of intended attendance at the General Meeting the extract from the Companies Register showing the details of the person authorized to represent a legal person.

Shareholders or their proxies shall vote on the agenda and agenda items either in person or by proxies. The written power of attorney given by a shareholder or given in the name of a shareholder (legal person) by the person legally authorized to represent it, **shall be notarized.**

The original power of attorney may be submitted together with the application for participation, but it must be submitted no later than the day of the General Assembly, when registering the participants. In addition to the original, the power of attorney can be previously submitted by e-mail (pdf format) to the email address: [ured.upraveGS@hpb.hr](mailto:ured.upraveGS@hpb.hr).

Materials for the General Meeting of the Bank serving as guidelines for passing resolutions and General Meeting registration form and power of attorney form shall be made available to shareholders on the website of the Bank [www.hpb.hr](http://www.hpb.hr) and in the Bank's offices in Zagreb, Jurišićeva 4, following the notice of General Meeting, on business days from 9:00 to 12:00 (noon).

With regard to the right of shareholders whose holdings together reach the twentieth part of the share capital (5% of the share capital) to demand that items be placed on agenda of the General Meeting and announced, shareholders are referred to paragraph 2 of Article 278 of the Companies Act. In respect of the right of shareholders to make a counterproposal in response to a proposal of any individual resolution made by the Management Board or the Supervisory Board of the Bank, shareholders are referred to paragraph 1 of Article 282 of the Companies Act. As for the right of shareholders to be advised of the company's business, shareholders are referred to paragraph 1 of Article 287 of the Companies Act.

The shareholders are invited to attend the General Meeting and to come 30 minutes before the time at which the General Meeting is due to start to be entered on the list of attendees.

**Hrvatska poštanska banka, p.l.c.**

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