

The Management Board of **HRVATSKA POŠTANSKA BANKA, plc** (hereinafter referred to as: Bank), Zagreb, Jurišićeva 4, by virtue of the authority vested in it under Article 277 of the Companies Act and Article 24 of the Articles of Association of the Bank, made on 19 November 2015 the decision on calling the XLI GENERAL MEETING OF HRVATSKA POŠTANSKA BANKA, plc, Zagreb, to be held on 28 December 2015 at the Bank's offices, Zagreb, Jurišićeva 4, at 12.00 p.m. (noon).

XLI General Meeting

Agenda:

1. Resolution on authorised capital
2. Resolution on changes to the Articles of Association of Hrvatska poštanska banka, plc

The shareholders are invited to attend the General Meeting.

PROPOSED RESOLUTIONS AND EXPLANATORY NOTES

Under **Agenda Item 1** The Management Board and the Supervisory Board propose that the General Meeting passes the following resolution:

RESOLUTION on authorised capital

I

The General Meeting authorises the Management Board of the Bank with a prior written consent of the Supervisory Board, during the period of five years, calculating as of the date of entry of these amendments to the Articles of Association into the court register, to render one or more decisions on the increase of the Bank's share capital by payment of cash contributions, by issuing new shares where the total amount of the share capital increase may not exceed HRK 600,000,000.00 (in words: six hundred million kuna).

Management Board of the Bank is authorised, with a prior written consent of the Supervisory Board, to exclude, with respect to the shares issued on the basis of the authorisation mentioned in Paragraph 1 of this Article, the priority right of the shareholders at the subscription of new shares.

Management Board shall decide, with a prior written consent of the Supervisory Board, on the content of rights arising from shares issued on the basis of the authorisation mentioned in Paragraph 1 of this Article, as well as on the conditions of issue of such shares.

Supervisory Board shall render all decisions related to the authorisations mentioned in this Article with votes of more than 2/3 of votes of all Supervisory Board members.

Following the increase of the share capital pursuant to the provisions of this Article, the Supervisory Board shall be authorised to align the provisions of these Articles of Association in part that relates to the amount of the share capital as well as in part that relates to the number of shares into which the share capital has been divided.

II

This Resolution shall take effect as of the date the changes to the Articles of Association have been registered with the Companies Register.

Explanatory Note to the Proposed Resolution

The proposed Resolution is in compliance with Article 323 of the Companies Act, and the proposed nominal amount not to be exceeded in the Management Board's decision on the increase of the share capital, subject to the prior consent of the Supervisory Board, is brought into line with the amount of the share capital at the time the authorities have been granted.

Under **Agenda Item 2** The Management Board and the Supervisory Board propose that the General Meeting passes the following resolution:

RESOLUTION on changes to the Articles of Association of Hrvatska poštanska banka, plc

I

The Articles of Association of Hrvatska poštanska banka, dioničko društvo of 31 May 2005, together with all amendments thereto and revised and/or full texts pertaining thereto and deposited with the Companies Register, are changed in their entirety and are replaced with the new text of the Articles of Association which corresponds to the text attached to this Resolution and forms an integral part thereof.

II

The present Articles of Association shall take effect as of the date they have been registered with the Companies Register.

On the basis of the provisions of Article 275 Paragraph 1 Point 5 of the Companies Act, the General Assembly of Hrvatska poštanska banka p.l.c., Zagreb, Jurišićeva 4 (hereinafter: the Bank), on 28 December 2015 renders new Articles of Association, as follows:

**ARTICLES OF ASSOCIATION
of HRVATSKA POŠTANSKA BANKA p.l.c.**

REGISTERED NAME AND SEAT OF THE BANK

Article 1

Registered name of the Bank reads: HRVATSKA POŠTANSKA BANKA, dioničko društvo

Abbreviated registered name of the Bank reads: HPB d.d.

Translation of the registered name into English reads: Hrvatska poštanska banka p.l.c.

Translation of the abbreviated registered name into English reads: HPB p.l.c.

Translation of the registered name into German reads: Hrvatska poštanska banka, a.g.

Translation of the abbreviated registered name into German reads: HPB a.g.

Registered seat of the Bank is in Zagreb.

Management Board of the Bank is authorised to render decisions on business address of the Bank (street and house number).

ORGANISATION OF THE BANK

Article 2

Bank shall perform its business activities through business units, branches, offices and other business and organisational units.

Decision on the organisation of the Bank and scope of work of its organisational units shall be rendered by the Management Board.

Management Board is authorised to incorporate branch offices for the performance of business activities outside of the Bank's registered seat.

The Bank may perform certain activities forming part of the Bank's object through post offices in the Republic of Croatia in accordance with the separate agreement concluded between the Bank and HP - Hrvatska pošta d.d.

PUBLICATION OF INFORMATION AND NOTIFICATIONS

Article 3

Information and notifications of the Bank determined by law and Bank's Articles of Association shall be published on the internet site of the court register.

DURATION AND TERMINATION OF THE BANK

Article 4

The Bank has been incorporated for an indefinite period of time.

The Bank may cease to operate in one of the manners prescribed by law or Articles of Association.

STAMP AND LOGO OF THE BANK

Article 4

In its business operations, the Bank shall use the stamp which includes registered name and seat of the Bank.

Form, size and manner of use of the stamp shall be determined by the Management Board.

The Bank shall have its logo, the layout of which shall be determined by the Management Board.

OBJECTS OF THE BANK

Article 6

The business activities of the Bank includes:

1. acceptance of deposits or other repayable funds from the public and the approval of loans from such funds, for its own account,
2. acceptance of deposits or other repayable funds,
3. granting credits and loans, including consumer credits and loans, mortgage credits and loans where permitted by a special law, financing of commercial business transactions, including export financing based on the repurchase at a discount and without recourse of long-term, unmatured receivables secured on a financial instrument (forfeiting),
4. repurchase of receivables, with or without recourse (factoring),
5. financial lease (leasing),
6. issuing of guarantees or other securities,

7. trading for its own account or for the client's account in:
 - money market instruments,
 - transferable securities,
 - foreign means of payment, including currency exchange transactions,
 - financial futures and options,
 - currency and interest-rate instruments,
8. payment services, in accordance with special laws,
9. credit reference services, e.g. collection, analysis and provision of information on the creditworthiness of legal entities and natural persons that conduct their business independently,
10. issuing and administering other means of payment, if the provision of such services is not considered to be money transmission services pursuant to special law,
11. renting of safe-deposit boxes,
12. money broking services,
13. advising legal persons on capital structure, business strategy and related matters as well as services relating to mergers and the acquisition of shares in the other companies,
14. issuance of electronic money,
15. investment and ancillary services and activities provided by a special law governing the capital market, namely:
 - reception and transmission of orders in relation to one or more financial instruments,
 - execution of orders on behalf of clients,
 - dealing on own account,
 - portfolio management,
 - investment advice,
 - underwriting of financial instruments and placing of financial instruments on a firm commitment basis,
 - underwriting of financial instruments and placing of financial instruments without a firm commitment basis,
 - safekeeping and administration of financial instruments for the account of clients, including custodianship and related services, e.g. administering cash assets and security instruments,
 - granting credits or loans to an investor to allow him/her to carry out a transaction in one or more financial instruments, where the company granting the credit or loan is involved in the transaction,
 - advice on capital structure, business strategy and related matters as well as advising and services related to mergers and the acquisition of shares in the other companies,
 - foreign exchange services where these are connected to the provision of investment services,
 - investment research and financial analysis and other forms of recommendation relating to transactions in financial instruments,
 - services related to the services of underwriting and placing of financial instruments on a firm commitment basis,
 - investment services and activities as well as ancillary services referring to the underlying assets of derivatives as stated in the Article 3, Paragraph 1, Point 2, Subpoint d, Indent 2, 3, 4 and 7 of the Capital Market Act when these investment services and activities are connected to the investment services or ancillary services.
16. activities related to the sale of insurance policies in accordance with the regulations governing insurance.

SHARE CAPITAL

Article 7

The share capital of the Bank amounts to HRK 1,214,775,000.00 (in words: one billion two hundred fourteen million seven hundred seventy-five thousand kuna) and is divided into 2,024,625 (in words: two million twenty-four thousand six hundred and twenty-five) ordinary registered shares, each in the nominal amount of HRK 600.00 (in words: six hundred).

Number of shares mentioned in the previous Paragraph has been fully subscribed and paid in.

Each share grants its holder a right to one vote in the General Assembly of the Bank, right to a dividend as well as other rights provided under law and these Articles of Association.

Article 8

Management Board of the Bank is authorised, with a prior written consent of the Supervisory Board, during the period of five years, calculating as of the date of entry of these amendments to the Articles of Association into the court register, to render one or more decisions on the increase of the Bank's share capital by payment of cash contributions, by issuing new shares where the total amount of the share capital increase may not exceed HRK 600,000,000.00 (in words: six hundred million kuna).

Management Board of the Bank is authorised, with a prior written consent of the Supervisory Board, to exclude, with respect to the shares issued on the basis of the authorisation mentioned in Paragraph 1 of this Article, the priority right of the shareholders at the subscription of new shares.

Management Board shall decide, with a prior written consent of the Supervisory Board, on the content of rights arising from shares issued on the basis of the authorisation mentioned in Paragraph 1 of this Article, as well as on the conditions of issue of such shares.

Supervisory Board shall render all decisions related to the authorisations mentioned in this Article with votes of more than 2/3 of votes of all Supervisory Board members.

Following the increase of the share capital pursuant to the provisions of this Article, the Supervisory Board shall be authorised to align the provisions of these Articles of Association in part that relates to the amount of the share capital as well as in part that relates to the number of shares into which the share capital has been divided.

SHARES

Article 9

Shares are registered, issued in a dematerialised form and exist only as an electronic record in the computer system of the central depository of the Central Clearing and Depository Company.

Central Clearing and Depository Company performs the activities of safekeeping and transfer of shares and keeps the records of shareholders.

Shares as dematerialised securities are freely transferable in accordance with regulations in force and acts of the Central Clearing and Depository Company.

Acquisition, termination or transfer of ownership and other rights and encumbrances over shares shall be deemed executed providing such rights are appropriately entered in the electronic records of the Central Clearing and Depository Company.

A shareholder is obliged to timely notify the Central Clearing and Depository Company of the change of personal data, ownership positions, pledge and other changes.

BODIES OF THE BANK

Article 10

The Bank shall have the following bodies:

- Management Board
- Supervisory Board
- General Assembly.

MANAGEMENT BOARD

Article 11

Management Board of the Bank shall consist of at least two up to, at most, five members while the decision on the number of members shall be rendered by the Supervisory Board.

Only person who fulfils legally prescribed conditions may be appointed as the president and member of the Management Board.

Members and president of the Management Board shall be appointed by the Supervisory Board's decision to be rendered with votes of more than 2/3 of votes of all Supervisory Board members, for a term of up to five years with a possibility of re-appointment without limitations. Supervisory Board shall be authorised, at the proposal of the president of the Management Board, to appoint one member of the Management Board as the vice president of the Management Board, for a term of up to five years with a possibility of re-appointment without limitations, by a decision to be rendered with votes of more than 2/3 of votes of all Supervisory Board members. If elected, the function of the vice president of the Management Board shall terminate simultaneously with the termination of mandate of the member of the Management Board.

Vice president of the Management Board shall replace the president of the Management Board in case of his/her impediment to perform his/her function, i.e. his/her absence, with all authorisations and obligations of the president of the Management Board, except those granted as exclusive authorisation or obligation of the president of the Management Board pursuant to these Articles of Association, Rules of Procedure of the Management Board, decision of the Management Board or Supervisory Board.

Supervisory Board is authorised to revoke the president and members of the Management Board by its decision.

Decision on the revocation of the president or member of the Management Board shall be valid providing more than 2/3 of all members of the Supervisory Board voted for such decision.

President and members of the Management Board are entitled to resign by way of a written resignation letter.

Article 12

Management Board manages business operations of the Bank at its own responsibility.

Management Board shall render decisions by majority of total number of votes unless the Rules of Procedure, Articles of Association or law provide for otherwise for rendering certain decisions.

As an exception from the provision of the previous Paragraph, if the Management Board has even number of members and the votes of the members of the Management Board are equally divided, the president of the Management Board shall have casting vote.

Deciding and voting in the Management Board of the Bank shall be regulated in more detail by the Rules of Procedure of the Management Board.

Management Board is obliged to obtain prior special written consent of the Supervisory Board, granted by votes representing more than 2/3 of all votes of the members of the Supervisory Board, before undertaking the following:

- conclusion of loan agreements, issuance of letters of credit and bank guarantees and conclusion of derivatives transactions, where the contracted amount or counter value exceeds 5% (five per cent) of the eligible capital of the Bank. The consent shall not be required for the conclusion of transactions with legal entities or other subjects having foreign currency long term debt credit rating at least equal to the rating of the Bank, as rated by at least two globally recognised rating agencies.
- conclusion of legal transaction whereby rights and/or obligations for the Bank are created, amended or terminated that in total exceeds the amount or counter value of 10% (ten per cent) of the eligible capital of the Bank, by a series of consecutive legal transactions concluded within three calendar years between the Bank, on one side, and the same third party, or third parties forming related companies, on the other side. The consent shall not be required for the conclusion of transactions with legal entities or other subjects having foreign currency long term debt credit rating at least equal to the rating of the Bank, as rated by at least two globally recognised rating agencies.
- disposal and encumbrance of real estate owned by the Bank, with the exception of real estate acquired by the Bank in the enforcement, insurance, bankruptcy or liquidation proceedings, on the basis of court judgement or settlement, arbitral award, pre-bankruptcy settlement and/or which are in the fiduciary ownership of the Bank
- incorporation of companies, incorporation and termination of branch offices of the Bank and acquisition or disposal of shares in other companies,
- increase and/or decrease of the share capital and corporate status changes in the subsidiaries, with the exception of the appointment and/or revocation of the members of their bodies
- granting or revocation of *prokura* and/or general power of attorney
- in other cases when the consent is required on the basis of law, these Articles of Association or decision of the Supervisory Board.

Article 13

Management Boards represents the Bank and in doing so it is responsible and authorised to undertake all actions of representation in business affairs, before the court and other authorities.

Management Board represents the Bank as follows:

- if the Management Board consists of two members, each member shall represent the Bank individually and without limitations;
- if the Management Board consists of three or more members:
 - president of the Management Board shall represent the Bank individually and without limitations in all business affairs
 - remaining members of the Management Board jointly by two members.

Management Board is entitled to grant to another person a written power of attorney for the conclusion of certain types of contracts and undertaking of other legal actions, for the conclusion of individually determined contracts and undertaking of other legal actions. Such power of attorney shall be granted by the president of the Management Board, or members of the Management Board within the limits of their authorisations for representation.

Article 14

Members of the Management Board shall sign on Bank's behalf, by stating the registered name and capacity of the member of the Management Board, as follows:

- if the Management Board has two members, each member shall sign on Bank's behalf individually and without limitations
- if the Management Board has three or more members:
 - president of the Management Board shall sign on Bank's behalf individually and without limitations
 - members of the Management Board, i.e. vice president of the Management Board, when representing Bank, shall sign on Bank's behalf jointly, within the limits of authorisation for representation
 - proxies shall sign within the scope of the power of attorney in a manner determined therein.

Article 15

Management Board of the Bank is authorised to render Rules of Procedure of the Management Board.

SUPERVISORY BOARD

Article 16

Supervisory Board shall have nine members.

Only person who fulfils legally prescribed conditions may be appointed as the member of the Supervisory Board.

Members of the Supervisory Board are elected, or appointed as the case may be, for a term of four years and may be re-elected or re-appointed.

In case of early exit of any of the members of the Supervisory Board, the new member shall be elected or appointed and the term of office of such member shall last up to the end of term of office of the member of the Supervisory Board instead of whom such member was elected or appointed.

Each member of the Supervisory Board may resign from the function in the Supervisory Board. A written resignation is to be handed over to the president of the Supervisory Board.

Article 17

Six members of the Supervisory Board shall be elected and revoked by the General Assembly.

Article 18

The remaining three members of the Supervisory Board shall be appointed in accordance with the provisions of the Articles 19, 20 and 21 hereto.

Article 19

One member of the Supervisory Board shall be jointly appointed by:

- Allianz ZB d.o.o. društvo za upravljanje obveznim mirovinskim fondom, Zagreb, Nike Grškovića 31, PIN: 58384724129, for the account of AZ obvezni mirovinski fond kategorije B (PIN: 59318506371),
- Erste d.o.o.-društvo za upravljanje obveznim i dobrovoljnim mirovinskim fondovima, Ivana Lučića 2a, Zagreb, PIN:49659289650 for the account of Erste plavi obvezni mirovinski fond kategorije A (PIN: 29597039090) and the account of Erste plavi obvezni mirovinski fond kategorije B (PIN: 37688683890),
- PBZ CROATIA OSIGURANJE dioničko društvo za upravljanje obveznim mirovinskim fondom, Zagreb, Radnička cesta 44, PIN: 20455535575 for the account of PBZ CROATIA OSIGURANJE obvezni mirovinski fond - kategorije B (PIN: 99318944138) and
- Raiffeisen društvo za upravljanje obveznim i dobrovoljnim mirovinskim fondovima dioničko društvo, Zagreb, Heinzlova 44, PIN: 14148900600 for the account of Raiffeisen obvezni mirovinski fond kategorije B (PIN: 53009692506),

(hereinafter jointly: „**Funds**“, and individually: „**Fund**“), represented in the prescribed manner, and the Funds shall be entitled to revoke the member of the Supervisory Board they appointed at any time. Funds shall be authorised to appoint one member of the Supervisory Board of the Bank for as long as they hold, jointly or individually, shares representing at least 10% (ten per cent) of the share capital of the Bank.

Decision on the appointment and/or revocation from the previous Paragraph of this Article shall be rendered by simple majority of the Bank's share capital pertaining to shares held by the Funds at the day that precedes the day of rendering decision on the appointment and/or revocation of the member of the Supervisory Board.

Article 20

One member of the Supervisory Board shall be jointly appointed by:

- CROATIA osiguranje d.d., Zagreb, Miramarska 22, PIN: 26187994862
- Generali osiguranje d.d. Zagreb, Bani 110, PIN:10840749604
- Nenad Bakić, Zagreb, PIN:13987237540
- Erste Asset Management d.o.o. for the account of Erste Adriatic Equity OIF, Zagreb, Ivana Lučića 2a, PIN: 29300390100
- Allianz ZB d.o.o. društvo za upravljanje dobrovoljnim mirovinskim fondovima 10000 Zagreb, Ivana Lučića 2a for AZ Profit dobrovoljni mirovinski fond, PIN: 69326397242
- PROSPERUS-INVEST d.o.o. in its name and for the account of Prosperus FGS Zagreb, Metalčeva 5, PIN:61196386099
- ZB INVEST d.o.o. in the name and for the account of fund ZB Aktiv Zagreb, Ivana Lučića 2a, PIN:37884602446
- EUROHERC osiguranje d.d., Zagreb, Ulica grada Vukovara 282, PIN:22694857747
- Agram invest d.d. for Agram Private AIF, Zagreb, Ulica grada Vukovara 74, PIN:75398635234
- Agram Life osiguranje d.d., Zagreb, Trnjanska cesta 108, PIN: 18742666873
- JADRANSKO OSIGURANJE d.d., Zagreb, Listopadska 2, PIN:94472454976
- AGROKOR PROJEKTI d.o.o.,Zagreb,Trg Dražena Petrovića 3, PIN:89707684154

(hereinafter jointly: „**Investors**“, and individually: „**Investor**“) represented in the prescribed manner, and the Investors shall be entitled to revoke the member of the Supervisory Board they appointed at any time. Investors shall be authorised to appoint one member of the Supervisory Board of the Bank for as long as they hold, jointly or individually, shares representing at least 10% (ten per cent) of the share capital of the Bank.

Decision on the appointment and/or revocation from the previous Paragraph of this Article shall be rendered by simple majority of the Bank's share capital pertaining to shares held by the Investors at the day that

precedes the day of rendering decision on the appointment and/or revocation of the member of the Supervisory Board.

Article 21

One member of the Supervisory Board shall be jointly appointed by:

- Allianz ZB d.o.o. društvo za upravljanje obveznim mirovinskim fondom, Zagreb, Nike Grškovića 31, PIN: 58384724129, for the account of AZ obvezni mirovinski fond kategorije B (PIN: 59318506371),
- Erste d.o.o.-društvo za upravljanje obveznim i dobrovoljnim mirovinskim fondovima, Ivana Lučića 2a, Zagreb, PIN:49659289650 for the account of Erste plavi obvezni mirovinski fond kategorije A (PIN: 29597039090) and the account of Erste plavi obvezni mirovinski fond kategorije B (PIN: 37688683890),
- PBZ CROATIA OSIGURANJE dioničko društvo za upravljanje obveznim mirovinskim fondom, Zagreb, Radnička cesta 44, PIN: 20455535575 for the account of PBZ CROATIA OSIGURANJE obvezni mirovinski fond - kategorije B (PIN: 99318944138),
- Raiffeisen društvo za upravljanje obveznim i dobrovoljnim mirovinskim fondovima dioničko društvo, Zagreb, Heinzelova 44, OIB: 14148900600 for the account of Raiffeisen obvezni mirovinski fond kategorije B (PIN: 53009692506),
- CROATIA osiguranje d.d., Zagreb, Miramarska 22, PIN: 26187994862,
- Generali osiguranje d.d. Zagreb, Bani 110, PIN:10840749604,
- Nenad Bakić, Zagreb, PIN:13987237540,
- Erste Asset Management d.o.o. for the account of Erste Adriatic Equity OIF, Zagreb, Ivana Lučića 2a, PIN: 29300390100,
- Allianz ZB d.o.o. društvo za upravljanje dobrovoljnim mirovinskim fondovima 10000 Zagreb, Ivana Lučića 2a for AZ Profit dobrovoljni mirovinski fond, PIN: 69326397242,
- PROSPERUS-INVEST d.o.o. in its name and for the account of Prosperus FGS Zagreb, Metalčeva 5, PIN:61196386099,
- ZB INVEST d.o.o. in the name and for the account of fund ZB Aktiv Zagreb, Ivana Lučića 2a, PIN:37884602446,
- EUROHERC osiguranje d.d., Zagreb, Ulica grada Vukovara 282, PIN:22694857747,
- Agram invest d.d. for Agram Private AIF, Zagreb, Ulica grada Vukovara 74, PIN:75398635234,
- Agram Life osiguranje d.d., Zagreb, Trnjanska cesta 108, PIN: 18742666873,
- JADRANSKO OSIGURANJE d.d., Zagreb, Listopadska 2, PIN:94472454976 and
- AGROKOR PROJEKTI d.o.o.,Zagreb,Trg Dražena Petrovića 3, PIN:89707684154

(hereinafter jointly: „**Private Investors**“, and individually: „**Private Investor**“) represented in the prescribed manner, and the Private Investors shall be entitled to revoke the member of the Supervisory Board they appointed at any time. Private Investors shall be authorised to appoint one member of the Supervisory Board of the Bank for as long as they hold, jointly or individually, shares representing at least 10% (ten per cent) of the share capital of the Bank.

Decision on the appointment and/or revocation from the previous Paragraph of this Article shall be rendered by simple majority of the Bank's share capital pertaining to shares held by the Private Investors at the day that precedes the day of rendering decision on the appointment and/or revocation of the member of the Supervisory Board.

Article 22

Supervisory Board shall, among its members, elect president and one vice president.

Article 23

Supervisory Board meeting shall be convoked by the president of the Supervisory Board, or in case of his/her impediment, by the vice president. The meeting shall be convoked in writing. In case of urgency, president of the Supervisory Board shall be authorised to convoke the meeting orally, by phone, telegraph, telefax or electronic mail.

Items of agenda must be indicated in the convocation letter.

Meeting may validly be held even if it was not convoked in a manner as determined in Paragraph 1 of this Article providing all members of the Supervisory Board are present at the meeting and they consent to the holding of the meeting.

Article 24

As a rule, decisions of the Supervisory Board shall be rendered in meetings. Meetings are presided over by the president of the Supervisory Board or, in case of his/her impediment, by the vice president. Supervisory Board may render decisions providing all of its members have been invited to the meeting and simple majority of members of the Supervisory Board are present at the meeting.

Decision of the Supervisory Board shall be rendered by a majority of votes of all members of the Supervisory Board unless the law or these Articles of Association provide for different majority for certain decisions.

Out of its meeting, Supervisory Board may render decision by voting via letter, phone, telegraph, telefax or use of other suitable technical means providing no member of the Supervisory Board objects to such decision making within the appropriate time period.

Minutes, signed by the president of the Supervisory Board or in case of is/her impediment, by the vice president of the Supervisory Board, shall be made of all decisions of the Supervisory Board rendered at the meeting.

Supervisory Board shall be given an overview of decisions rendered in a manner as described in Paragraph (3) of this Article at the first subsequent meeting.

Article 25

Members of the Supervisory Board shall be compensated for all costs related to their work in the Supervisory Board.

Members of the Supervisory Board shall also be entitled to a compensation for their work, the amount of which shall be determined by the General Assembly.

Article 26

Supervisory Board shall render Rules of Procedure of the Supervisory Board.

GENERAL ASSEMBLY

Article 27

Management Board of the Bank convokes the General Assembly.

General Assembly shall be held at least once a year as well as always when the interests of the Bank require so.

General Assembly shall, in general, be held at the registered seat of the Bank.

Supervisory Board shall also be entitled to convoke the General Assembly.

Article 28

General Assembly shall be convoked by a written notification published in the same manner as the notifications of the Bank are published, at least 30 days prior to its session.

Written notification must include all conditions prescribed by law.

Article 29

The right to participate in the work of the General Assembly shall have the shareholders of the Bank who fulfil the following conditions:

- a) they have been registered in the Depository of the Central Clearing and Depository Company as owners of Bank's shares six days prior to holding of the General Assembly,
- b) they have notified their participation in the General Assembly in advance at least six days prior to holding of the General Assembly.

Shareholders who do not fulfil all of the conditions indicated in this Article and in the convocation letter for the General Assembly shall have no right to participate in the General Assembly.

Shareholders may be represented in the General Assembly by proxies. The right of participation in the General Assembly shall have the proxies who, in addition to the fulfilment of all conditions indicated in this Article, submit a power of attorney granted by a shareholder. The power of attorney may be submitted by an electronic mail.

Proxies who do not fulfil all of the conditions indicated in this Article and in the convocation letter for the General Assembly shall have no right to participate in the General Assembly.

Article 30

Voting shall be public by raising hands. Provisions on voting and voting procedure shall be determined in the Rules of Procedure of the General Assembly.

Article 31

The president or vice president of the Supervisory Board shall preside over the General Assembly, while in case of their impediment, the General Assembly shall be presided over by the oldest member of the Supervisory Board.

A person presiding over the General Assembly is authorised to decide on all procedural matters that relate to the work of the General Assembly.

Article 32

Unless the Articles of Association or law provide for otherwise, the General Assembly validly renders its decisions with simple majority of votes cast.

When the General assembly decides on:

- amendments to the Articles of Association;
- increase of the share capital;
- exclusion of the priority right at the issuance of new shares;
- decrease of the share capital;
- termination of Bank's operations;

- change of business activities in accordance with provisions of law.

it shall be deemed that a decision was rendered at the General Assembly providing that three quarters of the share capital represented at the General Assembly voted for such decision.

BUSINESS LEDGERS

Article 33

Financial year shall correspond to the calendar year.

Management Board of the Bank shall be obliged to keep and to ensure the keeping of all business ledgers in accordance with law.

DIVISION OF PROFIT

Article 34

Profit of the Bank shall be allocated in accordance with law:

- for the coverage of losses transferred from previous years
- into reserves of the Bank
- into dividends
- into part that belongs to the Management Board and management of the Bank on the basis of the participation in profit
- into retained earnings.

Shareholders realise the right to a payment of dividend proportionately to their share in the share capital.

Each year the Bank shall pay to the shareholders at least 50% of profit realised in the previous year that remains after the coverage of losses transferred from previous years and formation of reserves in accordance with Article 35 of the Articles of Association, providing the level of the regulatory capital, due to payment of dividend, does not fall below the required prescribed level and all legally prescribed conditions for the payment of dividend have been fulfilled.

Unless the General Assembly determines otherwise, dividend shall be paid within thirty days as of the day of holding of the General Assembly.

RESERVES

Article 35

The Bank shall form legal reserves, statutory reserves, reserves for treasury shares and other reserves.

The Bank shall form legal reserves up to the amount determined by the Companies Act.

The Bank shall form reserves for treasury shares up to the amount required for redemption of 10% of the issued shares.

The purpose and amount of the statutory reserves shall be determined by the General Assembly at the proposal of the Management Board and Supervisory Board.

Management Board and Supervisory Board are entitled, once they have approved the annual financial statements, to use the amount of net profit remaining after it has been used for the coverage of losses transferred from previous years and for the purposes mentioned in previous Paragraphs of this Article, for the contribution into other reserves from profit, but up to the one half of such an amount.

Management Board and Supervisory Board are hereby authorised to contribute into other reserves also the amounts exceeding one half of the net profit remaining after it has been used for the coverage of losses transferred from previous years and for the purposes mentioned in previous Paragraphs of this Article.

TRANSITORY AND FINAL PROVISIONS

Article 36

On the date these Articles of Association come into force, the Articles of Association of Hrvatska poštanska banka p.l.c. dated 31 May 2005 together with all their amendments and related consolidated and/or complete texts filed with the court register shall cease to be valid.

Explanatory Note to the Proposed Resolution

In order to reflect the Bank's changed ownership structure following recapitalization carried out in this September, the provisions of the Articles of Association have been changed in order to regulate more clearly the relationships amongst the shareholders, the composition and the number of members of the Supervisory board, and the supervision of the Bank's operations.

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 21 December 2015. 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.

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 authorised to represent a legal person. Shareholders or their proxies shall vote on the agenda and agenda items either in person or by proxies who shall have written and attested power of attorney.

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 and in the Bank's offices in Zagreb, Jurišićeva 4, following the notice of General Meeting, on business days from 9 a.m. to 12.00 p.m. (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, 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.

If at the time at which the General Meeting is due the quorum is not present as required by the Articles of Association, the General Meeting shall be held again on 4 January 2016 at the same time and at the same place.

HRVATSKA POŠTANSKA BANKA, plc