



HRVATSKA POŠTANSKA BANKA, p.l.c.

Jurišićeva ulica 4, 10000 Zagreb

General Assembly

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**THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD
DIVERSITY POLICY OF
HRVATSKA POŠTANSKA BANKA, p.l.c**

Zagreb, August, 2022

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Pursuant to Article 29, paragraph 1 of the Articles of Association of Hrvatska poštanska banka, public limited company, Zagreb, (hereinafter: the Bank), and in line with Article 21 of the Accounting Act (Official Gazette 78/15, 134/15, 120/16, 116/18, 42/20, 47/20), following the implementation of the Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups, and as per Article 25, paragraph (4) of the 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 (Official Gazette 20/21), and based on the proposal of the the Supervisory Board and the recommendation of the Appointments Committee, the General Assembly hereby adopts the following policy on August 29, 2022:

THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD DIVERSITY POLICY OF HRVATSKA POŠTANSKA BANKA, p.l.c.

1. INTRODUCTORY PROVISIONS

The Management Board and the Supervisory Board Diversity Policy of Hrvatska poštanska banka, p.l.c. (hereinafter: the Policy) establishes the basic goals and principles for the promotion of diversity and representation of both genders in the management body of Hrvatska poštanska banka, p.l.c., (hereinafter: the Bank) in the management and supervisory function (the Management Board and the Supervisory Board) and diversity in respect of professional experience and age structure.

This Policy is one of the elements of the corporate governance system of the Bank, which regulates the process of the selection and the assessment of the suitability of candidates for membership in the Management Board and the Supervisory Board. Accordingly, the Policy regulates what gender diversity represents for the Bank, the principles of diversity for the Management Board and the Supervisory Board, i.e. the targeted representation of the under-represented gender in the Management Board and the Supervisory Board, and the strategy and timeframe for achieving this goal.

In the process of selection of the structure of the membership of the Management Board and the Supervisory Board, the Policy also aims at achieving a higher degree of independence of opinion in the performance of business management and supervision.

2. REGULATORY FRAMEWORK

As a credit institution, issuer of securities on the regulated market, as well as a public interest entity, HPB is subject to EU and domestic legislation and subsidiary legislation of the Croatian National Bank, which includes the following reference documents from which requirements arise for taking into account diversity criteria during the selection of new members of management bodies:

- *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* (Official Gazette 20/21) (hereinafter: the Decision) stipulates in Article 25 the obligation of credit institutions to ensure that the structure is sufficiently diverse when appointing members of the management and supervisory boards, and the obligation to determine the target representation of the under-represented gender in the management and supervisory boards, as well as the strategy and timeframe for achieving that goal,
- *Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012*, Article 435, paragraph 2 item (c) sets out the obligation of credit institutions to publish and disclose information on the diversity policy related to the selection of members of the management body, its purpose and objectives
- *Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC* (hereafter: the Directive) determines the jurisdiction of the Appointments Committee on targeted representation for the gender that is under-represented in the management body
- *Directive 22/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large*

undertakings and groups prescribes the obligation for public interest entities lays down the obligation to implement and to describe the diversity policy in the management report

- *Accounting Act* (Official Gazette 78/15, 134/15, 120/16, 116/18, 42/20, 47/20) (hereafter: the Act) defines the obligation of public interest entities, whose securities are listed on the regulated market, to publish in the Statement on the Application of the Corporate Governance Code a description of the diversity policy applied in relation to executive, management and supervisory bodies of corporate entities with regards to age, gender, education or profession, and the objectives of the diversity policy.

3. DIVERSITY OBJECTIVES

The Bank shall undertake to ensure equal representation of persons of various aspects of diversity, taking into account aspects such as education, professional experience, gender, age and, if applicable, geographical origin. In doing so, the Bank shall ensure it considers the type, scope of operations performed by the Bank and the risks to which it is or to which it could be exposed. The Bank shall ensure that the members of the Management Board and the Supervisory Board have the highest possible degree of academic title in the relevant business areas, and that persons of both genders and persons of diverse ages are represented to the extent possible.

The diversity parameters defined above should be considered when determining the best possible composition of management functions, where possible, and should be balanced accordingly.

Regular review of the status of these parameters should be conducted at least one per year. As part of this review, plans shall be developed so as to increase the representation of under-represented groups and set targets for improvement.

In relation to the above and in accordance with the Decision and other applicable EU and domestic regulation, as well as the vision of HPB and its corporate values, the **target level of representation** of the currently **under-represented gender** - female - in the Bank's management body, i.e. in the Management Board and Supervisory Board is determined at a **minimum of 33.3%**, which the Bank aims to achieve in the upcoming five-year period.

| | Share of women – as at 31 December 2020 | Target for the period 2021 - 2026 |
|-------------------|---|-----------------------------------|
| Management Board | 0.00% | at minimum 20% |
| Supervisory Board | 66.70% | at minimum 30% |
| Σ average | 33.30% | at minimum 33.3% |

4. STRATEGY FOR ACHIEVING DIVERSITY OBJECTIVES

The strategy for achieving the diversity objectives is based on the development of inclusiveness in the governance of the Bank, i.e., the promotion of advancement opportunities at all levels, irrespective of gender. In order to achieve equal opportunities for both genders with regards to employee remuneration and working conditions, the Management Board of the Bank is dedicated to achieving work / life balance with the aim of creating a healthy and pleasant work environment.

Human resources management function shall continuously conduct analysis of disparities in remuneration, and if such gaps should arise, corrective measures are to be applied to reduce them.

To ensure that these objectives are met, the Bank's Code of Ethics stipulates that favouritism or discrimination of employees based on gender, or any other orientation, shall not be tolerated.

5. DIVERSITY MANAGEMENT

The Management Board of the Bank, with the consent of the Appointments Committee, is obliged to appoint a Diversity Management Person (DMP) as the focal person for coordination, oversight and alignment with the objectives of this Policy. The DMP is, as a rule, a B-1 level manager in charge of human resources management but may also be another member of the Bank's management.

The DMP performs the following duties and responsibilities:

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- reports to the Management Board, the Supervisory Board and the Appointments Committee on the implementation status of Policy herein,
- proposes initiatives and corrects objectives in this Policy, if necessary,
- provides information to the financial management function for the purposes of preparing the Bank's annual report
 - communicates with the Suitability Assessment Committee on the results of the regular suitability assessment of the Management Board and the Supervisory Board for the purpose of conducting an assessment of compliance with the target related to the number of members of the under-represented gender, and in the event the target is not met, to provide a justification for the failure, set out measures to be taken and the timeline for their achievement. Pursuant to Article 88, paragraph

(2) of the Directive and Article 25, paragraph (4) of the Decision the Appointments Committee proposes targeted representation of the under-represented gender, jointly in the Supervisory Board and the Management Board for the purpose of maintaining and updating the Policy.

6. APPLICATION PERIOD AND DISCLOSURE

The Management Board and the Supervisory Board Diversity Policy of Hrvatska poštanska banka, p.l.c. shall enter into force on the day of the resolution of the General Assembly and shall be applied over the course of the period until 31 December 2025. By way of derogation, this Policy shall be applied during a shorter period, on the condition that before the expiration of its duration, circumstances arise or there is a change in regulations, which would require the content to be amended.

Pursuant to the provisions of Article 22, item 7, paragraph (1) of the Accounting Act, the Bank shall disclose all information on its Diversity Policy, objectives, manner of implementation and results in the reporting period in the Statement on the Application of the Corporate Governance Code.

The approved Management Board and the Supervisory Board Diversity Policy of Hrvatska poštanska banka, p.l.c. shall be published and made available free of charge on the Bank's website and internal network.

7. FINAL PROVISIONS

- (1) The drafts of the amendments to this Policy are the responsibility of the Human Resources Management Office.
- (2) In the event of amendments to the Decision of the Croatian National Bank 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 which shall enter into force after the adoption of this Policy, the provisions of such regulations shall be applied until the harmonization of this Policy with the amendments to those regulations.
- (3) The Management Board and the Supervisory Board Diversity Policy shall be adopted by the General Assembly on the proposal of the Supervisory Board of the Bank and on the recommendation of the Appointments Committee.
- (4) The Diversity Policy herein comes into force on the day of its adoption.
- (5) As of the date of entry into force of this Policy, the Diversity Policy for members of the Management Board and the Supervisory Board of 10 May 2021 ceases to be valid.

General Assembly
Chairperson
Marijana Miličević