



HRVATSKA POŠTANSKA BANKA, public limited company

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HPB - PUBLIC

General Assembly

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Zagreb, May 9, 2025.

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

Zagreb, May 2025



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1. CHRONOLOGY

This Diversity Policy for the Management Board and Supervisory Board of HRVATSKA POŠTANSKA BANKA p.l.c. (hereinafter: the “**Policy**”) is enacted pursuant to Article 25, paragraph 2 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. The Policy is primarily aligned with the provisions of the Companies Act governing gender balance within company bodies, as well as the relevant provisions of the Corporate Governance Code.

The Nomination Committee of the Supervisory Board of HRVATSKA POŠTANSKA BANKA p.l.c. (hereinafter: the “**Bank**”) serves as the principal proponent of this Policy. The Policy is adopted by the Bank’s General Assembly, subject to prior approval by the Supervisory Board.

The chronology of the Policy’s adoption is outlined below:

No.	Date	Description
1.	29 March 2021	Approved by the Supervisory Board
	10 May 2021	Adopted by the General Assembly
2.	14 June 2022	Approved by the Supervisory Board
	29 August 2022	Adopted by the General Assembly
3.	30 March 2023	Approved by the Supervisory Board
	30 March 2023	Adopted by the General Assembly

This Policy supersedes the previous Diversity Policy for Members of the Management Board and Supervisory Board of HRVATSKA POŠTANSKA BANKA p.l.c., adopted by the General Assembly on 30 August 2023.

2. INTRODUCTORY PROVISIONS

This Policy sets out the specific objectives and obligations of the Bank with respect to diversity in the composition of the Management Board and the Supervisory Board.

It constitutes an integral component of the Bank’s corporate governance framework, regulating the process of selecting and assessing the suitability of candidates for appointment to the Management Board and the Supervisory Board.



The Policy defines targeted diversity with regard to the following dimensions: educational background, professional experience, gender, age, and geographical origin. It further sets objectives aimed at increasing the representation of the underrepresented gender, thereby ensuring compliance with the requirement for balanced gender representation in the governing bodies of the Bank.

These defined aspects of diversity enable a broader range of professional knowledge, competencies, and experiences to be brought to bear in the selection of Management and Supervisory Board members. This ensures the inclusion of varied perspectives and contributes to a higher degree of independent judgment in the performance of their duties.

Diversity acts as a safeguard against groupthink, enhances understanding of business operations and strategic issues, and thereby contributes to the overall efficiency and performance of the Bank. It also fosters an inclusive corporate culture that values differing viewpoints, further strengthening innovation, adaptability, and responsiveness to market dynamics.

Through this Policy, the Bank aligns its operations with applicable regulatory requirements and international best practices, reinforcing its commitment to ethical leadership, social responsibility, and sustainable development.

3. REGULATORY FRAMEWORK

As a credit institution, issuer of securities listed on a regulated market, and an entity of public interest, the Bank is primarily subject to the following regulatory instruments governing matters of diversity and balanced representation:

- 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;
- Credit Institutions Act (Official Gazette, Nos. 159/13, 19/15, 102/15, 15/18, 70/19, 47/20, 146/20, 151/22, 145/24);
- Companies Act (Official Gazette, Nos. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 111/12, 125/11, 68/13, 110/15, 40/19, 34/22, 114/22, 18/23, 130/23, 136/24);
- Accounting Act (Official Gazette, Nos. 85/24, 145/24);
- 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, Nos. 20/21, 104/22);
- Decision on the Governance System (Official Gazette, Nos. 96/18, 67/19, 145/20, 145/21, 51/23, 28/24, 150/24);
- 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;
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU;



- 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;
- Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures;
- Guidelines on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2021/06, ESMA35-36-2319);
- Guidelines on internal governance (EBA/GL/2021/05);
- Corporate Governance Code, effective as of 1 January 2025.

4. STAKEHOLDERS

The process of ensuring diversity involves several key stakeholders, among whom the following play a particularly significant role:

Actions undertaken during the selection phase by stakeholders designated under specific legislation applicable to legal entities owned by the Republic of Croatia.

Supervisory Board

Conducts the relevant procedure and submits proposals to the General Assembly regarding the appointment of members of the Supervisory Board.
Decides on the appointment and dismissal of members of the Management Board.
Determines the suitability of the Management Board.

Nomination Committee

Participates in the procedures concerning the selection and appointment of members of the Supervisory Board and the Management Board.
Establishes target representation for the underrepresented gender within the Management Board and the Supervisory Board, and proposes appropriate strategies and policies to enhance such representation.

Management Board

Fulfills Performs mandatory reporting obligations.
Undertakes responsibilities in the suitability assessment process.
Oversees policies related to the selection and appointment of senior management and determines the target representation percentage for the underrepresented gender at senior management level.



Shareholders

Exercise their voting rights at the General Assembly in support of the diversity policy.
Participate in the election and dismissal of Supervisory Board members.
Determine the suitability of the Supervisory Board.

5. DIVERSITY OBJECTIVES

Given the Bank's role as a credit institution exposed to a wide range of operational, regulatory, and market risks, the composition of its governing bodies reflects a commitment to key dimensions of diversity, including educational background, professional experience, gender, age, and geographical origin.

Educational Background

In order to ensure the requisite level of professional competence, it is expected that members of the Management Board and the Supervisory Board hold formal academic qualifications in disciplines aligned with the Bank's core areas of activity. These may encompass, inter alia, economics and its subfields (including banking, finance, management, and auditing); legal studies (including public administration and financial regulation); as well as STEM disciplines, such as mathematics, physics, information and communication technology, or electrical engineering.

Professional Experience

To ensure effective oversight and sound governance, members of the Management and Supervisory Boards are required to possess demonstrable professional competence and relevant experience, particularly in domains such as financial services, capital markets, accounting, auditing, prudential regulation, risk oversight, and leadership in complex organisational environments. The Board, as a collective body, must exhibit a sufficiently broad and complementary range of expertise. In assessing its composition, the following criteria shall be taken into account: ethical reputation, professional integrity, independent judgment, the ability to manage conflicts of interest, time availability, and overall compliance with the collective suitability criteria. The Bank promotes continued professional development, including participation in international training and education initiatives, as appropriate.



Gender	Promoting gender balance forms an integral part of the Bank's approach to inclusive governance. The Bank ensures that the nomination and selection process for members of the Management Board and the Supervisory Board reflects the objective of equitable gender representation, with candidate pools structured to support the attainment of this goal.
Age	The Bank recognises the importance of generational diversity as part of a well-rounded governance structure. To this end, efforts are made to attract and consider candidates from a wide range of age cohorts for positions on the Management Board, Supervisory Board, and within senior leadership.
Geographical Origin	In view of the Bank's domestic operational scope, the composition of the Management Board and the Supervisory Board must collectively ensure sufficient familiarity with the legal environment, regulatory requirements, market practices, and socio-economic context of the Republic of Croatia.

6. GENDER BALANCE

In support of inclusive leadership and aligned with the Corporate Governance Code, the Bank has committed to achieving gender balance within its governing bodies. A target of 40% representation of the underrepresented gender— across the Supervisory Board or Supervisory Board and Management Board combined.

Representation is calculated on the basis of actual elected or appointed members, irrespective of statutory composition.

The stated target shall be revised as necessary and at least with biennial reviews thereafter.

7. STRATEGY FOR ACHIEVING DIVERSITY OBJECTIVES

To support the attainment of the diversity objectives defined in this Policy, the Bank shall apply the following measures:

- The selection and nomination of candidates shall be based on clear, neutral, and unambiguous criteria that preclude any form of discrimination and ensure that candidates are assessed solely on the basis of objectively verifiable qualifications;
- Diversity objectives shall be applied in both regular and extraordinary appointment procedures for members of the Management and Supervisory Boards;
- During the periodic assessment of individual and collective suitability, the Bank shall review progress toward the gender diversity target. In cases of deviation, it shall provide an explanation, corrective measures, and a timeframe for resolution;



- The objectives of this Policy shall be duly considered in the assessment of the collective suitability of the Management Board and Supervisory Board;
- In situations involving equally qualified candidates, preference shall be given to candidates of the underrepresented gender, barring exceptional and well-substantiated reasons to the contrary;
- The Bank shall promote a culture of inclusive recruitment by applying the principles of this Policy *mutatis mutandis* to senior management appointments.

8. DIVERSITY MANAGEMENT

The Management Board, with the prior consent of the Nomination Committee, shall appoint a Diversity Management Officer (hereinafter: "DMO") as the designated individual responsible for coordinating the implementation, oversight, and alignment of activities carried out pursuant to this Policy. The DMO is ordinarily a B-1 level manager responsible for human resources, but the role may also be assigned to another member of senior management possessing the requisite experience and competence.

The DMO shall be responsible for:

- Submitting regular reports to the Management Board, the Supervisory Board, and the Nomination Committee regarding the status of implementation;
- Recommending policy updates or operational adjustments, as appropriate;
- Assisting the financial management function in the preparation of the Bank's annual report, including disclosures pursuant to the Corporate Governance Code;
- Engaging with the Suitability Assessment Committee in relation to outcomes of individual and collective suitability assessments;
- Undertaking such other duties as may be necessary to ensure alignment with the objectives of this Policy.

9. MONITORING AND REPORTING

The Bank shall ensure that this Diversity Policy is made publicly available on its official website <https://www.hpb.hr/>.

Implementation of the objectives set forth in this Policy shall be formally monitored and documented. In the event that specific targets are not attained, the Management Board shall submit a report explaining the underlying reasons, the measures taken or planned to address the shortfall, and the timeline for corrective action. Such reporting shall form part of the Bank's annual *Company Status Report*, as well as any other form of disclosure required under applicable legislation.

As part of its disclosures under the Corporate Governance Code, which forms a mandatory section of the *Company Status Report*, the Bank shall describe the diversity policy it applies — including the diversity factors considered, the objectives pursued, the implementation process, and the results achieved. In the absence of such a policy, a reasoned explanation shall be provided.



Furthermore, the Management Board shall report on the gender composition of the Management and Supervisory Boards, in line with specific regulatory requirements. It is also required to submit this information to the Gender Equality Ombudsperson no later than 15 days after the General Assembly at which the *Company Status Report* is presented to shareholders.

10. FINAL PROVISIONS

10.1. Policy Review

The Nomination Committee shall review this Policy and its implementation at least annually and shall submit recommendations for amendments or improvements, as deemed necessary.

10.2. Effectiveness

This Policy becomes effective on the date of its adoption by the General Assembly of the Bank, subject to prior approval by the Supervisory Board.

Upon its entry into force, this Policy repeals and replaces the Diversity Policy for Members of the Management Board and the Supervisory Board of HRVATSKA POŠTANSKA BANKA p.l.c., adopted on 30 August 2023.

**General Assembly
Chairperson
Marijana Miličević**