

The Management Board of HRVATSKA POŠTANSKA BANKA plc (hereinafter referred to as the 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 21 July 2016 the decision on calling the General Meeting of the Bank, and hereby invites the shareholders of the Bank to attend

XLII GENERAL MEETING

of HRVATSKA POŠTANSKA BANKA plc, Zagreb, to be held on 5 September 2016 at the Bank's offices, Zagreb, Jurišićeva 4, at 11.00 a.m.

XLII General Meeting

Agenda:

1. Resolution on the appointment of the auditor of Hrvatska poštanska banka plc for the year 2016
2. Resolution on the amendments to the Policy on the selection and assessment of the suitability of members of the Supervisory Board of the Bank
3. Resolution on the approval of the Supervisory Board members' actions
4. Resolution on the suitability of members of the Supervisory Board of Hrvatska poštanska banka plc
5. Resolution on the approval of the actions of the President of the Management Board of the Bank Mr. Tomislav Vuić
6. Resolution on the approval of the actions of the member of the Management Board of the Bank Mr. Domagoj Karadjole
7. Resolution on the approval of the actions of the member of the Management Board of the Bank Mrs. Dubravka Kolarić
8. Resolution on the approval of the actions of the member of the Management Board of the Bank Mr. Mladen Mrvelj
9. Resolution on the election of members of the Supervisory Board of Hrvatska poštanska banka plc

PROPOSED RESOLUTIONS AND EXPLANATORY NOTES

Under **Agenda Item 1** the Supervisory Board proposes that the General Meeting passes the following resolution:

RESOLUTION

on the appointment of the auditor of Hrvatska poštanska banka plc for the year 2016

I

The Auditing Firm Deloitte d.o.o. Zagreb, Radnička cesta 80, is appointed as the auditor for Hrvatska poštanska banka plc, for the year ending on 31 December 2016.

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 as the auditor for the year 2016 the renowned Auditing Firm Deloitte d.o.o. which has all required resources to provide high quality audits of the financial statements of the Bank and its subsidiaries.

Under **Agenda Item 2** the Management Board proposes that the General Meeting adopts

AMENDMENTS TO THE POLICY ON THE SELECTION AND ASSESSMENT OF THE SUITABILITY OF MEMBERS OF THE SUPERVISORY BOARD OF THE BANK

Article 1

Article 2 Item (7) of the Policy on the selection and assessment of the suitability of members of the Supervisory Board of the Bank of 16 May 2016 is changed so that now Item (7) reads as follows:

(7) For purposes of this Policy "suitability assessment committee" consists of:

- Director of the Human Resources Office
- Director of the Legal Affairs Office
- Director of the Compliance and Management Board Support Office
- Executive Director of the Risk Management Division

Article 2

The amendments to the Policy on the selection and assessment of the suitability of members of the Supervisory Board of the Bank shall enter into force on the day of their adoption.

Explanatory Note to the Proposed Resolution

By these proposed Amendments to the Policy on the selection and assessment of the suitability of members of the Supervisory Board of the Bank, the composition of the Suitability Assessment Committee has been adjusted to the changes made to the By-laws on the organization of the Bank.

Under **Agenda Item 3** the Supervisory Board proposes that the General Meeting passes the following resolution:

RESOLUTION
on the approval of the Bank's Supervisory Board members' actions

I

It is established that the members of the Supervisory Board of the Bank performed in 2015 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 2015.

Under **Agenda Item 4** the Management Board proposes that the General Meeting passes the following resolution:

RESOLUTION
on the suitability of members of the Supervisory Board of the Bank based on the regular suitability assessment procedure

I

Following the regular yearly suitability assessment procedure conducted to assess the suitability to perform the function of a member of the Supervisory Board, it is assessed that:

- Dražen Kobas, President of Supervisory Board
- Nada Karaman Aksentijević, Deputy President
- Marin Palada and Niko Raič, members of Supervisory Board

are considered to be suitable to perform the function of a member of the Supervisory Board of the Bank.

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 Bank.

III

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

Explanatory Note to the Proposed Resolution

In accordance with subordinate regulations and bylaws of the Bank, the regular yearly suitability assessment procedure was conducted for the members of the Supervisory Board of the Bank, and as proposed by the Management Board of the Bank, and following the declaration of the Nomination Committee, the Resolution on their suitability is passed.

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 actions of the President of the Management Board Mr. Tomislav Vuić

I

The President of the Management Board of the Bank Mr. Tomislav Vuić is granted the approval of his actions for 2015.

II

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

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 actions of the member of the Management Board Mr. Domagoj Karadjole

I

The member of the Management Board of the Bank Mr. Domagoj Karadjole is granted the approval of his actions for 2015.

II

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

Under **Agenda Item 7** the Management Board and the Supervisory Board propose that the General Meeting passes the following resolution:

RESOLUTION

on the approval of the actions of the member of the Management Board of the Bank Mrs. Dubravka Kolarić

I

The member of the Management Board of the Bank Mrs. Dubravka Kolarić is granted the approval of her actions for 2015.

II

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

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

RESOLUTION

on the approval of the actions of the member of the Management Board Mr. Mladen Mrvelj

I

The member of the Management Board of the Bank Mr. Mladen Mrvelj is granted the approval of his actions for 2015.

II

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

Explanatory Notes to the Proposed Resolutions from 5 to 8

The Management Board and the Supervisory Board of the Bank propose that the General Meeting passes resolutions on the approval of the actions separately for each member of the Management Board of the Bank.

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

RESOLUTION

on the election of members of the Supervisory Board of Hrvatska poštanska banka plc

I

It is confirmed that to the members of the Supervisory Board of Hrvatska poštanska banka plc:

1. Dražen Kobas
2. Nada Karaman Aksentijević
3. Niko Raič
4. Marin Palada

the term of office will expire on 30 July 2016 and that they will cease to be members of the Supervisory Board of the Bank.

II

Re-elected to the Supervisory Board of Hrvatska poštanska banka plc are:

1. Dražen Kobas, Lučko, Ježdovečka 1d, Master of Economics, Executive Director of the Management Board, Executive Director of the Office of Internal Audit in Hrvatska pošta plc Zagreb
2. Nada Karaman Aksentijević, Ph.D., Rijeka, Hosti 7, Doctor of Economics, University Professor, Head of the Department of National Economy and Development at the Faculty of Economics in Rijeka
3. Niko Raič, M.Sc., Zagreb, Horvaćanska cesta 25, Master of Science, Director of the Department for Budget Preparation and Financing of Local Governments within the Ministry of Finance of the Republic of Croatia, Zagreb
4. Marin Palada, Zagreb, Ilica 191, Master of Economics, Executive Director of Finance in the company Adriatica.net d.o.o. Zagreb, I. Kršnjavoga 1.

III

The term of office for the members of the Supervisory Board of Hrvatska poštanska banka plc referred to in above point II and elected hereby begins on the date on which prior approval of the Croatian National Bank is issued and runs until the election of new members.

IV

On the basis of this Resolution, in accordance with the Credit Institutions Act, the application will be made to the Croatian National Bank for prior approval to perform the function of a member of the Supervisory Board of Hrvatska poštanska banka plc for persons listed in the above point II.

V

This Resolution shall enter into force on the day of its adoption and produce legal effects as of the date on which prior approval of the Croatian National Bank to perform the function of a member of the Supervisory Board of Hrvatska poštanska banka plc is issued.

Explanatory Note to the Proposed Resolution

Taking into consideration the fact that the term of office of the current members of the Supervisory Board has expired, in accordance with the Conclusion of the Government of the Republic of Croatia, Class: 022-03/16-07/01, Ref. No. 50301-05/18-16-2 of 14 January 2016, it is proposed to re-elect the current members of the Supervisory Board for the term to run until the election of new members of the Supervisory Board.

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 29 August 2016.**

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 authorised 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.**

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 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, plc

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