

HRVATSKA POŠTANSKA BANKA d.d.

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Zagreb Stock Exchange Inc.

Croatian Financial Services Supervisory Agency (HANFA)

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Subject: HRVATSKA POŠTANSKA BANKA, p.l.c.

- **Notice of the convocation of the General Assembly - Invitation to the Shareholders**
- *Category: General Assembly – agenda, proposals, resolutions*

The Management Board of Hrvatska poštanska banka, p.l.c., Zagreb, Jurišićeva ulica 4 (hereinafter: the Bank), pursuant to the provisions of the Companies Act, made the Decision on 21 July 2022 to convene the General Assembly of the Bank, **to be held on 29 August 2022 at Hotel Academia (Gloria hall, 1st floor), Zagreb, Tkalčićeva 88, at 12:00 noon.**

Pursuant to the provisions of the Capital Market Act and Zagreb Stock Exchange Rules, the Management Board hereby submits for publication the Invitation to the Shareholders of the Bank in the legally defined form, containing Proposals of the Resolutions.

We hereby declare that the full, legally defined form of the Invitation to the Shareholders, including the documents for the General Assembly, will also be published on the Bank's website www.hpb.hr, pursuant to the applicable regulations.

The Invitation to the Shareholders is attached to the Notice.

Hrvatska poštanska banka, p.l.c.

The Management Board of Hrvatska poštanska banka p.l.c. (hereinafter the Bank), Zagreb, Jurišićeva ulica 4, by virtue of the authority vested in it under Article 277 of the Companies Act (Official Gazette Nos. 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, 34/2022) and Article 24 of the Articles of Association of the Bank, made on 21 July 2022 the decision on the convocation of the General Assembly of the Bank, and hereby invites the Shareholders of the Bank to attend the

XLIX GENERAL ASSEMBLY

of Hrvatska poštanska banka p.l.c., Zagreb, to be held on 29 August 2022 at Hotel Academia (Gloria hall, 1st floor), Zagreb, Tkalčićeva 88, at 12:00 noon.

XLIX General Assembly

Agenda:

1. Opening of the General Assembly and establishment of a quorum of the 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 2021, approved by the Management Board and the Supervisory Board of the Bank, and the Annual Management Report of Hrvatska poštanska banka p.l.c. and its subsidiaries for 2021
3. Report of the Supervisory Board on the supervision exercised over the conduct of business affairs in the Bank in 2021
4. Resolution on the allocation of the profit realised in 2021
5. Resolution on the approval of the Management Board Members' actions
6. Resolution on the approval of the Supervisory Board Members' actions
7. Resolution on the determination of remuneration for the Members of the Supervisory Board;
8. Resolution on the determination of remuneration for the Members of the Audit Committee, the Risk Management Committee, the Remuneration Committee and the Appointments Committee
9. Resolution on the appointment of the auditor of Hrvatska poštanska banka p.l.c. for the year 2022
10. Resolution on the suitability of the Members of the Supervisory Board of Hrvatska poštanska banka p.l.c. based on the regular annual suitability assessment procedure
11. Resolution on the approval of the Remuneration Report for the Members of the Management Board and Supervisory Board for 2021
12. Adoption of the Diversity Policy for the Members of the Management Board and the Supervisory Board of Hrvatska poštanska banka, p.l.c.
13. Adoption of the Policy on the target structure and the assessment of the suitability of the Members of the Supervisory Board of the Bank
14. Resolution on the approval of the process of the legal and business merger by acquisition of Nova Hrvatska banka p.l.c. with Hrvatska poštanska banka, p.l.c.
15. Adoption of the Rules of Procedure of the General Assembly of Hrvatska poštanska banka, p.l.c.

The Shareholders are hereby invited to participate in the General Assembly.

PROPOSED RESOLUTIONS AND EXPLANATORY NOTES

Under Agenda **Item 2** the General Assembly shall not pass resolutions.

Pursuant to the provision of Article 280.a of the Companies Act, the Shareholders are advised that the Supervisory Board of the Bank gave its consent to the Annual Financial Statements of Hrvatska poštanska banka p.l.c. and Consolidated Financial Statements of Hrvatska poštanska banka Group for 2021, submitted to the Supervisory Board by the Management Board of the Bank, and that as per the provision of Article 300.d of the Companies Act these statements were thereby adopted.

The Supervisory Board gave its consent to the Annual Management Report of Hrvatska poštanska banka p.l.c. and its subsidiaries for 2021, submitted to the Supervisory Board by the Management Board of the Bank.

The above Annual Financial Statements and the Annual Management Report of the Bank and its subsidiaries, together with the report of the Supervisory Board are submitted to the General Assembly.

With reference to the Resolution of the Bank's General Assembly on granting authorization to the Bank's Management Board to acquire and dispose of its own shares from 10 May 2021, the General Assembly is

informed that the Bank initiated a Share Buy-Back commencing on 19 January 2022 and with the duration until the following regular General Assembly of the Bank in 2022, with the intention of acquiring up to a maximum of 341 own shares and with the allocated cash consideration of HRK 350,000.00, for the purpose of payment of variable remuneration scheme as defined by the Bank's and HPB Group's Remuneration Policy.

Pursuant to the Share Buy-Back, the Bank repurchased a total of 341 own shares on the Regulated Market of Zagreb Stock Exchange in the period from 19 to 26 January 2022. On 18 January 2022 and prior to the repurchase, the Bank held 795 own non-voting ordinary shares which represented 0.039266% of the Bank's share capital, and on 27 January 2022 upon the repurchase completion the Bank held a total of 1,136 own non-voting ordinary shares which represented 0.056109% of the Bank's share capital. The Bank provided consideration in the amount of HRK 277,600.00 for the purpose of the share repurchase.

On 23 February 2022, the Bank released all 1,136 of its own shares from the Regulated Market of Zagreb Stock Exchange.

HPB Annual Report for 2021

Report available from the link

Item 3 The Report submitted by the Supervisory Board to the General Assembly

REPORT

on the supervision exercised over the conduct of business affairs in the Bank in 2021

I

In compliance with the provisions of the Articles of Association and the resolutions passed at the General Assembly of the Bank in 2021, the Supervisory Board was active in two compositions comprising three members.

The composition of the Supervisory Board in the period from 1 January to 12 August 2021 was as follows: Marijana Miličević as President, Željko Lovrinčević as Deputy President and Marijana Vuraić Kudeljan as Member.

As a consequence of the expiry of term of office of the aforementioned Members of the Supervisory Board and in compliance with the resolutions passed at the General Assembly of the Bank held on 10 May 2021 and with the consent of the Croatian National Bank, Marijana Miličević, Marijana Vuraić Kudeljan and an independent member Mislav Ante Omazić, were appointed for the new four-year term of office. The composition of the Supervisory Board in the period from 13 August to 31 December 2021 was as follows: Marijana Miličević as President, Mislav Ante Omazić as Deputy President and Marijana Vuraić Kudeljan as Member.

Pursuant to the provisions of the Credit Institutions Act, the Decision of the Croatian National Bank on governance arrangements, 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, and Corporate Governance Code adopted by Croatian Financial Services Supervisory Agency and Zagreb Stock Exchange, it has been determined that in both compositions of the Supervisory Board during 2021, the criteria for the Independence of mind of a member of the Supervisory Board has been fully met, thus ensuring the functioning of the Supervisory Board and its committees in accordance with the provisions of applicable regulations. Based on the regular annual assessment of the suitability of the Members of the Supervisory Board of the Bank, and the assessment of the suitability of the candidates for membership in the Supervisory Board, it has been determined that during the course of 2021 the composition of the Supervisory Board reflected a broad set of knowledge, and diversity in respect of professional experience, gender and age, taking into account required knowledge, skills and experience. This is supported by the fact that the Croatian National Bank gave prior consent upon having confirmed individual and collective suitability of the candidates for membership in the Supervisory Board.

The Diversity Policy for Members of the Management Board and Supervisory Board of Hrvatska poštanska banka, p.l.c. adopted by the General Assembly establishes the basic goals and principles of promoting diversity and representation of both genders in the management body of the Bank and the supervisory function. During the reporting period there were two female members and one male member in each composition of the Supervisory Board which accounts for 66.7% of female representation which is far above the target level of representation set at a minimum of 30%. In that respect, the diversity objectives in relation to the supervisory function have been fully met.

II

In 2021, the Supervisory Board held eleven sessions where issues pertaining to the Bank's operations were discussed. All members of the Supervisory Board regularly attended sessions, either onsite in person or online via appropriate audio /video communication platforms. The Supervisory Board, in addition to regular sessions, passed resolutions 108 times via electronic mail in situations when urgent and individual resolutions which required prompt decisions. The majority of these pertained to the consents of the Supervisory Board with reference to the Bank's exposure to individual customers, in accordance with the

legislation in force, as well to other resolutions pertaining to legislation which requires the consent of the Supervisory Board.

When necessary, sessions of the Supervisory Board were attended also by individual executive directors of divisions and directors of departments who provided all required supplementary explanations that contributed to the Supervisory Board's in-depth understanding of the relevant matters. As required by the law, sessions were also attended by persons responsible for the operation of individual control functions.

III

The Management Board and the Supervisory Board acted in line with valid legal regulations governing their competence and roles and in line with the Articles of Association of the Bank.

Acting in conformity with the law, the Articles of Association of the Bank, the Supervisory Board of the Bank supervised the conduct of the Bank's affairs, established the guidelines for the Bank's business policy, and actively contributed to its implementation, all on the basis of the reports of the Management Board on issues of importance for the conduct of business affairs and the condition of the Bank.

The Management Board provided the Supervisory Board with duly prepared, true, and timely reports on business policy and on other general issues related to the future conduct of business, financial plans, risk management strategies and policies, operational profitability, workflow, as well as income and the condition of the Bank, and other important issues, whereby the Members of the Management Board, each within their competence, provided additional explanations and clarifications, thus ensuring effective decision-making process.

The Management Board of the Bank submitted financial reports on a quarterly, semi-annual, and annual basis and regularly discussed their implementation with the Supervisory Board.

In accordance with the law, and within its competence, the Supervisory Board gave consent to basic business documents the adoption of which falls within the competence of the Management Board of the Bank: Business and financial plan for 2021, Business goals and key performance indicators (KPI) of the Bank for 2021, Risk Appetite Policy, Recovery Plan and other internal acts in the field of management and risk appetite, updated Policy on the target structure of the Management Board and the assessment of the suitability of the president and the members of the Management Board of the Bank including decisions of the Credit Committee of the Bank regarding the Bank's exposure to customers / groups of associated customers.

The Supervisory Board supervised adequacy and efficiency of the system of internal controls, which relies on three mutually independent control functions - *Risk Management, Internal Audit, and Compliance* - and, within its competence, gave consent to Plans on the work of the control functions, their goals and performance indicators and examined Reports on the work of the risk control functions which were submitted and considered semi-annually. In line with the procedure set forth by the law, the Supervisory Board annually assessed the suitability of the persons responsible for the operation of control functions in the Bank and based on the regular suitability assessment the Supervisory Board found them suitable to perform control functions.

Continuous and constructive cooperation of the Management Board and the Supervisory Board and exchange of relevant information necessary to complete relevant tasks also contributed to the fulfilment of the supervisory function. The Supervisory Board had at all times the possibility to request and to obtain from the Management Board of the Bank information on any issue related to the operations of the Bank which significantly affected or could have affected its position. The Management Board ensured, among other things, that Members of the Supervisory Board had appropriate access to information on risk profile. During the course of 2021, good and transparent cooperation manifested itself in the open discussion between the Management Board and the Supervisory Board of the Bank. The Members of the Management Board of the Bank regularly attended the sessions of the Supervisory Board, within the scope of their competences reported on, and explained individual topics so that the Supervisory Board could have taken its position and made required resolutions. In that regard, the Supervisory Board is of the opinion that the cooperation with the Management Board was very successful.

In the light of the foregoing and the achieved financial results, the Supervisory Board finds that in 2021 the Management Board of the Bank was good and successful in managing the Company's affairs in the best interest of all the Shareholders and in line with its competence, as established by legal regulations and the Bank's Articles of Association. The Management Board also established clear internal relations in connection with risk-taking and risk management, including segregation of duties and responsibilities between the Supervisory Board, the Management Board, the appointed committees and the senior management.

IV

Furthermore, in 2021 the Supervisory Board continued taking charge of the implementation of the long-term succession plan in connection with the composition of the Management Board of the Bank.

In line with the procedure set forth by the law, it annually assessed the suitability of the Members of the Management Board of the Bank. Based on the outcome of the suitability assessment conducted by the Suitability Assessment Committee of the Bank, and upon obtaining a positive opinion of the Nomination Committee, the Supervisory Board established that the President and all Members of the Management Board of the Bank were individually suitable to perform their respective functions and that the Management

Board collectively had sufficient knowledge, skills and experience to perform its duties independently and without undue influence from other persons, and in particular to understand the Bank's activities and the main risks.

In addition, as a consequence of the expiry of the term of office of the current Members of the Management Board, in June 2021 the Supervisory Board timely ensured the continuity and efficiency of the Management Board and its supervisory and management functions by reappointing the Members for a new two-year term of office upon completion of the assessment of the suitability, individual and collective, of the President and the Members of the Management Board of the Bank and upon having been granted prior approval of the Croatian National Bank.

V

The Supervisory Board has established the following committees: the Audit Committee, the Remuneration Committee, the Risk Management Committee and the Appointments Committee, established with the aim of discussing matters falling within the scope of their competences and respective responsibilities. The Bank's Management Board ensured access to all information and data for the purpose of efficient work of these committees, as well as the availability of Bank's expert services, control functions, and relevant external experts when necessary.

In 2021, the Audit Committee held eleven regular sessions where it discussed and decided on the matters that fall within its competence and responsibility, as regulated by the Resolution on the establishment of the Audit Committee and its Rules of Procedure. In addition to regular sessions, the Audit Committee decided outside the sessions 5 more times via electronic mail, in situations when it was necessary to promptly make certain decisions/conclusions within its competence.

In the period from 1 January to 12 August 2021, Željko Lovrinčević was the Chairperson of the Audit Committee, who was appointed to the Audit Committee from the Supervisory Board as an independent member, and Ivana Radeljak Novaković and Zlatko Benčić, were appointed as external experts. Zlatko Benčić met the required conditions for independence in line with applicable regulations and performed the role of Deputy Chairperson.

The expiry of term of office of the members of the Supervisory Board affected the composition of the Audit Committee, and the resolutions passed at the General Assembly of the Bank held on 10 May 2021 included appointment of external experts Ivana Radeljak Novaković and Željko Lovrinčević to the Audit Committee. Željko Lovrinčević met the required conditions for independence in line with applicable regulations. From among its members, the Supervisory Board of the Bank, passed the Resolution on 13 August 2021 to appoint Mislav Ante Omazić, the current independent member of the Supervisory Board, to the Bank's Audit Committee. In the period from 13 August to 31 December 2021, the composition of the Audit Committee was as follows: Željko Lovrinčević, Chairperson, Ivana Radeljak Novaković, Deputy Chairperson and Mislav Ante Omazić, Member.

The Audit Committee assisted the Supervisory Board in performing its duties related to overseeing the financial reporting process, the audit process (including the recommendation to the General Assembly for the selection of the external auditor), the effectiveness of the internal audit system, discussing annual work plans and internal audit related to this area. The Supervisory Board supervised, with the assistance of the Audit Committee, adequacy and efficiency of the system of internal controls with the aim of maintaining and improving a system of internal controls that enables the Bank to monitor and detect in a timely manner all risks to which the Bank may be exposed in its operation.

The Risk Management Committee, the Remuneration Committee and the Appointments Committee have three members each, elected from amongst the Members of the Supervisory Board with one of them acting as the chairperson of the respective committee.

In 2021, the Risk Management Committee held six regular sessions and passed 7 decisions via electronic mail, the Remuneration Committee held three sessions and passed three decisions via electronic mail and the Appointments Committee held two sessions and passed eight decisions via electronic mail. All members of respective committees regularly attended all sessions. Matters falling within the scope of competences and responsibilities of these committees were discussed and commented at the sessions. When necessary, over the course of the year, all committees decided via electronic mail in situations when individual decisions and conclusions had to be made promptly.

The Supervisory Board assesses that all committees had successfully performed their function in compliance with applicable regulations and thus contributed to the effective work of the Supervisory Board. Bearing in mind the assessment of the suitability of the members of the Supervisory Board of the Bank conducted by the Suitability Assessment Committee within the scope of its regular annual assessment, including the active participation in the sessions of the Supervisory Board and its committees, the Supervisory Board establishes that all of its members contributed significantly to its work, both individually and collectively, with their competences, experience, and dedication, thus enabling adequate and full supervision of the conduct of the Bank's affairs and complete performance of the Supervisory Board's function. In the course of the last financial year, no case of conflict of interest of Management Board or Supervisory Board Members was determined.

VI

The Supervisory Board reviewed the Annual Financial Statements of Hrvatska poštanska banka p.l.c. and Consolidated annual Financial Statements of Hrvatska poštanska banka Group for 2021, the Annual Management Report of Hrvatska poštanska banka p.l.c. and its subsidiaries for 2021 and the Resolution on the allocation of the profit realised in 2021, submitted by the Management Board.

The Supervisory Board established that the Annual Financial Statements of Hrvatska poštanska banka p.l.c. and Consolidated Annual Financial Statements of Hrvatska poštanska banka Group for 2021 were prepared in accordance with the balances recorded in the financial records and ledger and that they fairly represent the assets and the business condition of the Bank. The report of the external auditor BDO Croatia LLC Zagreb, Radnička cesta 180, who performed the audit of the Annual Financial Statements and Consolidated Financial Statements of the Bank for the year 2021, also affirmed this.

The Supervisory Board reviewed the reports of the auditor BDO Croatia LLC Zagreb and accepted the auditor's report. The Supervisory Board gives its consent to the Annual Financial Statements of Hrvatska poštanska banka p.l.c. and Consolidated annual Financial Statements of Hrvatska poštanska banka Group for 2021, whereby pursuant to the provision of Article 300.d of the Companies Act these statements are considered to be confirmed.

In line with its obligations and according to the supervision exercised in 2021, the Supervisory Board concluded that Hrvatska poštanska banka p.l.c. had acted in compliance with the law, subordinate legislation, the Articles of Association and other bylaws of the Bank, and resolutions of the General Assembly.

VII

The Supervisory Board was presented with the proposal of the Management Board for 2021 profit allocation, whereby it was established that Hrvatska poštanska banka p.l.c. realised in the year ended 31 December 2021 an after-tax profit totalling HRK 202,106,512.95. The Supervisory Board upholds the proposal of the Management Board for profit allocation.

VIII

The Supervisory Board, together with the Management Board, prepared the Remuneration Report for Members of the Supervisory Board for 2021, audited by the independent auditor BDO Croatia LLC, Zagreb. The report shows, in a clear manner, the amount of every part of remuneration that the Bank paid or has committed to pay to each current and former member of the Management Board and the Supervisory Board. This report, together with the report of the independent auditor BDO Croatia LLC is submitted to the General Assembly for approval.

IX

The Supervisory Board submits this Report to the General Assembly of the Bank and proposes that the General Assembly adopts the Management Board's proposal of the Annual Financial Statements of Hrvatska poštanska banka p.l.c. and Consolidated Annual Financial Statements of Hrvatska poštanska banka Group for 2020, together with the the Annual Management Report of Hrvatska poštanska banka p.l.c. and its subsidiaries for 2021. The Supervisory Board proposes that the General Assembly adopts the resolution to grant discharge to the Members of the Management Board and the Supervisory Board, and to adopt the Resolution on the allocation of the profit realised in 2021, submitted by the Management Board.

Explanatory Note

This Item shall not put to the vote, but the relevant Report is submitted to the attention of the General Assembly.

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

RESOLUTION on the allocation of the profit realised in 2021

I

It is established that Hrvatska poštanska banka, p.l.c. realised a net profit in the amount of HRK 202,106,512.95 in the business year ended 31 December 2021.

II

Pursuant to Article 220 of the Companies Act and the authority referred to in Article 33 of the Bank's Articles of Association, the Bank's Management Board decided on 30 March 2022 shall allocate one twentieth of the established profit from item I of this Resolution to the legal reserves in the amount of HRK 10,105,325.65.

III

The remaining amount of the established net profit in the amount of HRK 192,001,187.30, after the distribution specified in Article II of this Resolution, shall be allocated to retained earnings.

IV

Pursuant to Article 220, paragraph 3 of the Companies Act and Article 33 of the Bank's Articles of Association, the previously formed amount of HRK 50,604,741.08 shall be reallocated from other reserves to retained earnings.

V

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

Explanatory Note to the Proposed Resolution

The proposed allocation of net profit realised is in compliance with Articles 220 and 300.b of the Companies Act and the Articles of Association of the Bank.

To successfully enable growth and development of the Bank in the future, and to cushion regulatory effects which will have an impact on its capital position, it is proposed that the full profit for 2021 in its entirety be allocated to retained earnings, upon allocating mandatory 10 percent to the legal reserves. Furthermore, surplus of other reserves is reallocated from other reserves to retained earnings.

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

RESOLUTION on the approval of the actions of the Members of the Management Board

I

It is established that in 2021 the Members of the Management Board of the Bank managed 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

In view of the fact that the Management Board managed the affairs of the Bank in compliance with the law, the Articles of Association and resolutions passed by the General Assembly, the manner in which the Management Board managed the Bank's affairs in 2021, is hereby approved.

Under Agenda **Item 6** the Supervisory Board proposes that the General Assembly passes the following resolution:

RESOLUTION on the approval of the Supervisory Board members' actions

I

It is established that during 2021, the Bank's Supervisory Board operated in two groups of three members, as follows:

- in the period from 1 January to 12 August 2021, consisting of:
 - Marijana Miličević, Chairperson
 - Željko Lovrinčević, Deputy Chairperson
 - Marijana Vuraić Kudeljan, Member
- in the period from 13 August to 31 December 2021, consisting of:
 - Marijana Miličević, Chairperson
 - Mislav Ante Omazić, Deputy Chairperson
 - Marijana Vuraić Kudeljan, Member

II

It is established that in 2021 the Members of the Supervisory Board of the Bank referred to in item I of this Resolution, performed their functions in compliance 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

In view of the fact that the Supervisory Board managed the affairs of the Bank in compliance with the law, the Articles of Association and resolutions passed by the General Assembly, the manner in which the Management Board managed the Bank's affairs in 2021, is hereby approved.

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

RESOLUTION on determination of remuneration for 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 2022.

II

This Resolution shall apply also to the period from 1 January 2023, until the adoption of the resolution on determination of remuneration for the Members of the Supervisory Board of the Bank for 2023.

III

The Bank shall calculate and pay all the contributions and taxes paid on the remuneration for 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

This proposed resolution, aligns the remuneration for the Members of the Supervisory Board for 2022 with the current decision of the majority owner of the Bank.

Under Agenda **Item 8** the Supervisory Board proposes that the General Assembly passes the following resolution:

RESOLUTION on determination of remuneration for the Members of the Audit Committee, the Risk Management Committee, the Remuneration Committee and the Appointments Committee

I

The remuneration for work in the Audit Committee, the Risk Management Committee, the Remuneration Committee and the Appointment Committee of Hrvatska poštanska banka, p.l.c. is determined for the business year 2022 as follows:

1. Audit Committee - monthly fee of HRK 2,000.00 net, for each Member of the Committee,
2. Risk Management Committee, Remuneration Committee and Appointment Committee - monthly fee of HRK 1.00 net for each Member of the Committee, for each of the Committees.

II

This Resolution shall also apply for the period from 1 January 2023, until the Resolution on determination of the remuneration for the Audit Committee, the Risk Management Committee, the Remuneration Committee and the Appointment Committee for the business year 2023 is adopted.

III

The Bank undertakes to calculate and pay all contributions and taxes applicable on this type of remuneration and the amounts of remuneration referred to in item I of this Resolution.

IV

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

Explanatory Note to the Proposed Resolution

Pursuant to Article 50 of the Credit Institutions Act (OG 159/13, 19/15, 102/15, 15/18, 70/19, 47/20, 146/20) and Article 65 of the Audit Act (OG 127/17), the Bank has established Supervisory Board Committees, which act as its subsidiary bodies, as follows: the Audit Committee, the Risk Management Committee, the Remuneration Committee and the Appointment Committee.

With the exception of the Audit Committee, the Remuneration Committee, the Appointment Committee and the Risk Management Committee, are comprised of the Members of the Supervisory Board and therefore the Supervisory Board proposes a symbolic remuneration for Committee work.

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

RESOLUTION

on the appointment of the auditor of Hrvatska poštanska banka p.l.c. for the year 2022

I

The auditing firm PricewaterhouseCoopers d.o.o. (PWC), Ulica Vjekoslava Heinzela 70, Zagreb, is appointed as the auditor for Hrvatska poštanska banka p.l.c., for the year ending 31 December 2022.

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 that auditing firm PricewaterhouseCoopers d.o.o. (PWC), Zagreb be appointed as the auditor for the year 2022, as it possess 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 Appointments Committee, proposes that the General Assembly passes the following resolution:

RESOLUTION

on the suitability of the Supervisory Board of Hrvatska poštanska banka p.l.c. based on the regular annual suitability assessment procedure

I

Based on the regular annual suitability assessment procedure for membership in the Bank's Supervisory Board, the following Members of the Supervisory Board of Hrvatska poštanska banka p.l.c.,

- Marijana Miličević, Chairperson
- Mislav Ante Omazić, Deputy Chairperson
- Marijana Vuraić Kudeljan, Member

are individually deemed to be suitable to perform the function of a Member of the Supervisory Board of Hrvatska poštanska banka p.l.c.

II

It is deemed that the Members of the Supervisory Board possess the collective knowledge, skills and experience required to supervise the Bank's business activities independently without undue influence, and in particular to understand the operation 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

Pursuant to 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 the 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 compliance with the stipulated 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 deemed to be suitable for performing the respected functions.

The resolution on the suitability of the Members of the Supervisory Board, based on the proposal of the Management Board, with the opinion of the Appointments Committee, is passed by the General Assembly of the Bank.

Under Agenda **Item 11** the Management Board and the Supervisory Board propose that the General Assembly passes the following resolution:

RESOLUTION

on approval of the Remuneration Report for the Members of the Management Board and Supervisory Board for 2021

I

The Remuneration Report for the Members of the Management Board and Supervisory Board for 2021 with the Auditors' Report on the audit of the Report is hereby approved which is attached to this Resolution and is an integral part thereof.

II

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

Attachment 1 - [Remuneration Report for the Members of the Management Board and Supervisory Board for 2021 with Independent Auditors' Report](#)

(Document available from the link)

Explanatory Note to the Proposed Resolution

In line with Article 272.r of the Companies Act, the Management Board and the Supervisory Board compiled the Remuneration Report for the Members of the Management Board and Supervisory Board in the previous business year and referred it to the Auditor for audit, in line with the Companies Act.

The auditing firm BDO Croatia d.o.o. Zagreb, Radnička cesta 180 audited the Report and issued their opinion on compliance of the Report with the prerequisites stated in Article 272.r, paragraphs 1 and 2 of the Companies Act.

The Report, together with the Auditors' Report is attached to this Resolution (Attachment 1) and the Invitation to this General Assembly.

The Management Board and the Supervisory Board propose to the General Assembly the approval of the Remuneration Report for the Members of the Management Board and Supervisory Board for 2021 together with the auditor's report.

Under Agenda **Item 12** the Supervisory Board, with the consent of the Appointments Committee, proposes that the General Assembly adopts the

[Diversity Policy for the Members of the Management Board and the Supervisory Board of Hrvatska poštanska banka, p.l.c](#)

(Document available from the link)

Explanatory Note to the Proposed Policy

At the proposal of the Bank's Supervisory Board, the General Assembly of the Bank adopted a Diversity Policy for Members of The Management Board and Supervisory Board of Hrvatska poštanska banka, p.l.c. on 10 May 2021.

In respect of improving the current text of the Diversity Policy for the Members of the Management Board and the Supervisory Board of Hrvatska poštanska banka, p.l.c and in line with the findings of the compliance function and with the aim of regulatory compliance with 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 20/2021), the Supervisory Board, upon the recommendation of the Appointments Committee, established a new proposal of the Diversity Policy for the Members of the Management Board and the Supervisory Board of Hrvatska poštanska banka, p.l.c which incorporates the established amendments, and submits the attached text of the Policy to the General Assembly for adoption.

Under Agenda **Item 13** the Management Board, with the consent of the Appointments Committee, proposes that the General Assembly adopts

[The Policy on the target structure and the assessment of the suitability of the Members of the Supervisory Board of the Bank](#)

(Document available from the link)

Explanatory Note to the proposed Policy:

The Policy on the target structure and the assessment of the suitability of the Members of the Supervisory Board of the Bank shall be adopted by the General Assembly upon the proposal of the Management Board of the Bank.

In respect of improving the current text of the Policy on the target structure and the assessment of the suitability of the Members of the Supervisory Board of Hrvatska poštanska banka, p.l.c and in line with the findings of the compliance function and with the aim of regulatory compliance with 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), the Management Board of the bank approved the amendments to the Policy on the target structure and the assessment of the suitability of the Members of the Supervisory Board of Hrvatska poštanska banka, p.l.c. which incorporates the established amendments and submits the attached text of the Policy to the General Assembly for adoption.

Under Agenda **Item 14** the Management Board proposes that the General Assembly adopts

RESOLUTION
on approval the process of the legal and business merger
by acquisition of Nova hrvatska banka p.l.c. with Hrvatska poštanska banka, p.l.c.

I

The process of legal and business merger by acquisition of Nova Hrvatska banka p.l.c. to Hrvatska poštanska banka, p.l.c. is approved, with the expected completion of the merger process by 31 December 2023.

Following the merger, Nova hrvatska banka p.l.c. shall cease to operate as a separate legal entity.

II

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

Explanatory Note to the Proposed Resolution

Further to the Resolution on rehabilitation no. 53-091/03-22/BV from 1 March 2022, HPB acquired a 100% ownership share in Sberbank d.d., which was subjected to a rehabilitation procedure that was concluded on 13 April 2022. Since then, it has been operating within HPB Group as Nova hrvatska banka p.l.c.

HPB has continuously implemented activities for the purpose of building a sustainable model and improving not only its own operations, but also of affiliated companies within the HPB Group. HPB is the owner of shares that make up 100% of the share capital of Nova hrvatska banka p.l.c. The business analysis confirmed that in order to strategically position HPB and optimize returns for the Shareholders, it is necessary to carry out a merger by acquisition of Nova hrvatska banka p.l.c. with HPB over a course of an objectively viable period, in order to:

- (i) achieve synergy effects that essentially relate to the elimination of the duplication costs of business lines, processes, IT systems and similar costs. On the other hand, business integration ensures the standardization of services and products for HPB customers,*
- (ii) minimize further investment requirement for maintenance and development of two business systems which serve the same market.*

Taking into account that resources of both banks are to a large extent deployed on the project of entry into the single currency area, which consists of the adjustments to the entire system to EURO in both banks, the period after post-project stabilization following the entry to the euro area is suggested as an optimal merger starting point, which is forecast by April 2023 at the latest. The year 2023 year end is suggested as the optimal end point for the project out of cost concerns and taking into account year end accounting records and accruals pertaining to the end of 2023 reporting period.

Under Agenda **Item 15** the Management Board and the Supervisory Board propose that the General Assembly adopts the

Rules of procedure of the General Assembly of Hrvatska poštanska banka, p.l.c.

(Document available from the link)

Explanatory Note to the Proposed Rules of procedure

In order to comply with the provisions of the Rules of Procedure of the General Assembly with the provisions of the current Companies Act and the Statute of the Bank, and in order to define in more detail and clearly the activities pertaining to the preparation and implementation of the General Assembly of the Bank, the Management Board and the Supervisory Board propose to the General Assembly to adopt the new Rules of Procedure regulating the work.

The Rules of Procedure of the General Assembly shall be adopted by a valid majority of votes cast representing at least three quarters of the share capital represented at the General Assembly.

**ATTENDANCE AND VOTING RIGHTS CONDITIONS
FOR THE GENERAL ASSEMBLY**

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

Each ordinary registered share shall entitle its holder the right to one vote at the General Assembly.

Shareholders shall be entitled to participate in the General Assembly and exercise their voting rights on provision they had registered their participation not later than 6 (six) days prior to the date of the General Assembly i.e., **the last day for registration of attendance shall be 22 August 2022.**

The Shareholder is a person who had registered with the depository at the Central Depository and Clearing Company p.l.c. as a holder of shares, on the last day specified for the delivery of the registration for participation in the General Assembly. Registrations for participation in the General Assembly may be delivered directly to the Bank or may be sent to the Bank by registered mail to the address of the temporary occupied offices due to the renovation works carried out at the registered seat: Hrvatska poštanska banka, p.l.c, Management Board Office, Ulica grada Vukovara 269D/I floor, 10000 Zagreb.

Shareholders or their proxies shall vote on the agenda and agenda items either in person or through proxies.

Shareholders shall also be entitled to exercise the right to vote through a proxy on the basis of a written power of attorney issued by the Shareholder, i.e., issued on behalf of the Shareholder who is a legal entity by a person authorized by law to represent it. It is not necessary to verify such power of attorney by notary public.

Legal entities shall be required to submit registration for participation in the General Assembly, and any power of attorney authorizing another person to represent them at the General Assembly no later than day of the General Assembly. They shall also be invited to submit a simple copy of the Certificate of Incorporation or other relevant public document from another competent register from which it is evident that the registration form or the power of attorney was signed by a person who is legally authorized to represent that legal entity on the day of the signing. Notary Public shall verify such power of attorney.

The registration forms for participation in the General Assembly and the power of attorney, as well as all attachments shall be in Croatian language or if they are in a foreign language, they shall be translated into Croatian language by a certified court interpreter.

The original power of attorney may be submitted together with the registration for participation, and it shall be submitted no later than the day of the General Assembly, during the compilation of the Attendance List of all participants. In addition to the original, the power of attorney can be previously submitted by e-mail (in pdf format) to the email address: ured.upraveGS@hpb.hr.

Materials for the General Assembly of the Bank, serving as guidelines for passing resolutions, and General Assembly registration form and power of attorney form shall be made available to the Shareholders on the website of the Bank www.hpb.hr as well at the Bank's temporary offices in Zagreb, Ulica grada Vukovara 269D/I floor, following the publication of the Notice of the convocation of the General Assembly, on business days from 9:00 to 12:00 noon.

With reference to the entitlement of the Shareholders who together hold no less than one twentieth (5%) of the Bank's share capital to request that an item be included on the agenda of the General Assembly, the Shareholders are referred to Article 278, paragraph 2 of the Companies Act. With respect of the entitlement of the to submit their counter - proposals to the resolutions proposed by the Management Board and / or Supervisory Board, the Shareholders are referred to Article 282, paragraph 1 of the Companies Act. With regard of the entitlement of the Shareholders to be advised of the company's business, Shareholders are referred to Article 287 paragraph 1 of the Companies Act.

The Shareholders are invited to attend the General Assembly and are advised to arrive 30 minutes before the commencement time of the Assembly, in order to be entered onto the Attendance List.

Information on personal data protection is available via a link to the document [**Information on personal data processing for the purpose of convening and conducting the General Assembly of HPB p.l.c.**](#)

Hrvatska poštanska banka, p.l.c.

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