

Zagreb, July 14, 2023

Ref. No: F00-82/23-SS

Zagreb Stock Exchange Inc.**Croatian Financial Services Supervisory Agency (HANFA)****Croatian News Agency OTS HINA****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 July 13, 2023, to convene the General Assembly of the Bank, **to be held on August 30, 2023, 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 (OG No. 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 i 18/23) and Article 24 of the Articles of Association of the Bank, made on July 13, 2023 the decision on the convocation of the General Assembly of the Bank, and hereby invites the Shareholders of the Bank to attend the

L (the fiftieth) GENERAL ASSEMBLY

of Hrvatska poštanska banka p.l.c., Zagreb, to be held on August 30, 2023 at Hotel Academia (Gloria hall, 1st floor), Zagreb, Tkalčićeva 88, at 12:00 noon.

L 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 2022, 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 2022
3. Report of the Supervisory Board on the supervision exercised over the conduct of business affairs in the Bank in 2022
4. Resolution on allocation of profit earned in 2022
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, the Appointments Committee and the ESG Committee
9. Resolution on the appointment of the auditor of Hrvatska poštanska banka p.l.c. for the year 2023
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 2022
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 granting the authorization to the Management Board for own shares buyback and disposal
15. Resolution on adjustment of the share capital and the nominal amount shares of the Hrvatska poštanska banka, p.l.c.
16. Resolution on amendments of the Articles of Association of the 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 2022, 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 2022, 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.

[HPB Annual Report for 2022](#)

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 2022

I

Pursuant to the provisions of the Articles of Association and the resolutions passed by the General Assembly of the Bank in 2022, the Supervisory Board operated with three Members in 2022: Marijana Miličević as President, Mislav Ante Omazić as Deputy President and Marijana Vuraić Kudeljan as Member.

In the course of 2022, within the incumbent Supervisory Board, the independence requirement was discharged at all times by Mislav Ante Omazić, ensuring the functioning of the Supervisory Board and its committees in compliance with the provisions of applicable statutory regulations.

II

In 2022, the Supervisory Board held 12 regular meetings, considered and made resolutions and conclusions on the matters pertaining to the operations of the Bank and HPB Group.

In addition to regular meetings, the Supervisory Board made resolutions on 110 occasions via electronic mail outside the meetings, in situations where individual resolutions required prompt decision-making, the majority of which pertained to the to the Supervisory Board's approval of the Bank's exposure to certain customers/groups of related persons pursuant to the statutory framework, as well as other decisions/internal acts that require the Supervisory Board's approval.

The Supervisory Board meetings were attended by the Members of the Management Board of the Bank, and when it was deemed necessary and at the invitation of the Supervisory Board, meetings were also attended by the relevant employees of the Bank's professional functions, with the aim of providing the Supervisory Board with complete information and additional clarification on the matters from their scope of competence. In compliance with the statutory regulations, the Supervisory Board meetings were also attended by persons responsible for the operation of individual control functions.

III

For the purpose of discharging its function in an efficient manner, the Supervisory Board operates the following committees: the Audit Committee, the Risk Committee, the Remuneration Committee, the Appointments Committee and the ESG Committee, established as at 23 December 2022. The Committees operate with the aim of conducting in-depth discussions and delivering competent assessments on all matters within their scope of competence, based on the resolutions on the establishment and/or other internal acts of the Bank and relevant statutory regulations.

The Management Board of the Bank has ensured access to all information and data necessary for efficient work of the committees, and when necessary, has made available the Bank's professional functions, control functions, advice from external experts in areas within their competence.

In 2022, the **Audit Committee** operated in two compositions, each consisting of three Members. In the period from 1 January to 25 August 2022, the Audit Committee was chaired by Željko Lovrinčević, with Ivana Radeljak Novaković as Deputy Chairperson, and Mislav Ante Omazić as Member. Following the change in the composition of the Audit Committee, in the period from 26 August to 31 December 2022, the Audit Committee operated as follows: Mislav Ante Omazić, Chairperson, Željko Lovrinčević, Deputy Chairperson and Ivana Radeljak Novaković, Member. In both compositions of the Audit Committee, two members, Mislav Ante Omazić and Željko Lovrinčević continuously discharged the independence requirement in relation to the Bank, thereby ensuring the functioning of the Audit Committee in compliance with the provisions of applicable statutory regulations.

In 2022, the Audit Committee held eleven regular meetings where it considered and decided on the matters within its scope of competence and responsibility, as regulated by the applicable statutory regulations, the Resolution on the establishment of the Audit Committee and the relevant Rules of Procedure. In addition to regular meetings, the Audit Committee made decisions outside the meetings on 8 occasions by electronic mail, in situations when it was deemed necessary to promptly make certain decisions / conclusions within its scope of competence.

The Audit Committee supported the Supervisory Board in discharging its duties pertaining to the supervision of the financial reporting process, the statutory audit process (including the proposal to the General Assembly for the appointment of the external auditor), the effectiveness of the internal audit system, considered annual work plans and recurrent internal audit reports as well as significant matters pertaining to its scope of competence. The Supervisory Board supervised, with the assistance of the Audit Committee, the adequacy and efficiency of the internal controls system, with the aim of timely identification and monitoring of all risks to which the Bank is exposed in the course of its business operations.

The Chairperson of the Audit Committee reported to the Supervisory Board on the activities of the Committee, significant matters analysed, and delivered conclusions and recommendations at the Supervisory Board meetings.

In 2022, the **Risk Committee** operated with three Members, appointed by the Supervisory Board of the Bank. Marijana Vuraić Kudeljan chaired the Risk Committee, with Marijana Miličević and Mislav Ante Omazić as Members.

In 2022, the Risk Committee held 10 regular meetings where it considered and decided on the matters within its scope of competence and responsibility, as regulated by the applicable statutory regulations, the Resolution on the establishment of the Risk Committee and the relevant Rules of Procedure. In addition to the regular meetings, the Risk Committee made decisions outside the meetings via electronic mail on 4 occasions.

In 2022, the Risk Committee supported the Supervisory Board of the Bank in discharging its strategic supervisory duties with respect to the risk management framework and risk appetite in line with the Bank's risk management business strategy, business targets, corporate culture, and values.

Within its scope of duties and responsibilities, the Risk Committee duly considered regular risk management and control reports, analysed the implementation of capital management strategies and all significant risks, in particular liquidity risk, market risks, credit risk, operational risk, and reputation risk, assessing their suitability in relation to the approved risk appetite and risk management strategy.

The Risk Committee considered and approved the Risk Management function and Compliance function annual work plans for 2022, and duly considered regular reports submitted by these functions. The individuals responsible for the respective control functions were duly invited to attend the Committee meetings where annual work plans and reports of the control functions were considered.

The Chairperson of the Risk Committee reported to the Supervisory Board on the activities of the Committee, significant matters analysed, and delivered conclusions and recommendations at the Supervisory Board meetings.

In 2022, the **Remuneration Committee** operated with three Members, appointed by the Supervisory Board of the Bank. Marijana Miličević chaired the Remuneration Committee, with Marijana Vuraić Kudeljan and Mislav Ante Omazić as Members.

In 2022, the Remuneration Committee held 8 regular meetings where it considered and decided on the matters within its scope of competence and responsibility, as regulated by the applicable statutory regulations, the Resolution on the establishment of the Remuneration Committee and the relevant Rules of Procedure. In addition to the regular meetings, the Remuneration Committee made decisions outside the meetings via electronic mail on 16 occasions.

Within its scope of competence, the Remuneration Committee assessed the principles of remuneration and supported the Supervisory Board in the regular consideration and analysis of the general principles of, and the amendments to the Remuneration Policy, and supervised the implementation of remuneration rules by considering procedures and practices relevant to remuneration at the Bank and HPB Group members, and the compliance of the Remuneration Policy and implementation acts that define performance management.

Within its scope of duties and responsibilities, the Remuneration Committee considered the Remuneration Policy Report, the amendments to the Remuneration Policy, and the Performance Management Regulations throughout the year. It also considered the realisation of targets, key performance indicators (KPIs), targets and weighted KPIs for 2021, and their allocation for 2022. Additionally, the Committee identified employees with significant impact on the risk profile of HPB Group and considered proposals to the Supervisory Board on all matters related to remuneration, which are within the scope of competence of the Supervisory Board.

The Chairperson of the Remuneration Committee reported to the Supervisory Board on the activities of the Committee, significant matters analysed, and delivered conclusions and recommendations at the Supervisory Board meetings.

In 2022, the **Appointments Committee** operated with three Members, appointed by the Supervisory Board of the Bank. Marijana Miličević chaired the Appointments Committee, with Marijana Vuraić Kudeljan and Mislav Ante Omazić as Members.

In 2022, the Appointments Committee held 8 regular meetings where it considered and decided on the matters within its scope of competence and responsibility, as regulated by the applicable statutory regulations, the Resolution on the establishment of the Appointments Committee and the relevant Rules of Procedure. In addition to the regular meetings, the Appointments Committee made decisions outside the meetings via electronic mail on 6 occasions.

In 2022, the Appointments Committee considered regular annual suitability assessments of the Members of the Supervisory Board, the Members of the Management Board of the Bank, and their collective suitability, as well as the suitability of key function holders at the Bank, in compliance with statutory regulations, subordinate legislation and the Bank's internal acts on suitability assessments.

The Committee defined the Succession Plan for the Management Board of the Bank to ensure continuity of decision-making and the functioning of the Management Board in line with good corporate governance standards, in consultation with the President of the Supervisory Board and the President of the Management Board.

Furthermore, within its scope of duties and responsibilities, in 2022 the Committee considered the provisions of internal acts defining the target structure and the assessment of the suitability of the Members of the Supervisory Board, the Management Board, and control functions of the Bank, providing recommendations to the Supervisory Board for their alignment with amendments to relevant regulations governing this area.

The Committee also considered the internal Supervisory Board and the Management Board Diversity Policy, agreed to improve the provisions thereof and consented to the appointment of a person responsible

for managing diversity of the management bodies of the Bank in the management and supervisory functions.

The Chairperson of the Appointments Committee reported to the Supervisory Board on the activities of the Committee, significant matters analysed, and delivered conclusions and recommendations at the Supervisory Board meetings.

The **ESG Committee** was established as at 23 December 2022 with three Members, appointed by the Supervisory Board of the Bank as follows; Mislav Ante Omazić, Chairperson, with Marijana Miličević and Marijana Vuraić Kudeljan as Members. Given that the ESG Committee was established at the end of 2022, it did not hold any meetings as at 31 December 2022. The Committee was established with the aim of supervising the management of environmental, social and governance factors and the standardization of processes and factors related to sustainability and ESG.

IV

The Supervisory Board and the Committees thereof duly held regular meetings in 2022, and all Members duly attended and participated significantly, continuously collaborated, maintained balanced composition and possessed the necessary expertise in line with the statutory requirements for the operations of credit institutions.

Contingent on the regular reporting of resolutions/recommendations and positions taken by the committees therewith, the Supervisory Board has established that all committees had successfully discharged their functions pursuant to applicable statutory regulations, thereby contributing to the effective work of the Supervisory Board.

Each Member individually contributed to the specific areas of work in a suitable and effective manner, given their role, responsibility, and expertise in specific areas, as evidenced by the results of the regular annual suitability assessment of the Members of the Supervisory Board conducted by the Suitability Assessment Committee established within the Bank, in accordance with the statutory regulations applicable to credit institutions. Based on the results of the conducted suitability assessment, it was established that in 2022, both individually and collectively, the composition of the Supervisory Board was balanced with respect to skills, experience, competencies, age, and gender, and that the Members of the Supervisory Board possess high moral standards, diverse knowledge, abilities, as well as professional and practical experience necessary to properly discharge their tasks, while also meeting the specific requirement that at least one Member of the Supervisory Board is an expert in the field of accounting and/or financial statement auditing. The General Assembly has assessed and resolved that the incumbent Members of the Supervisory Board are both individually and collectively suitable to discharge the function of a Member of the Supervisory Board.

With respect to the *Supervisory Board and the Management Board Diversity Policy* adopted by the Bank's General Assembly, the composition of the Supervisory Board during the reporting period also met the diversity targets in terms of representation of the under-represented gender - women, which stood at 66.7%, thus meeting the target level of at least 30% representation of women in the Supervisory Board.

Therefore, the necessary balance in the composition of the Supervisory Board has been established, and the required standards that ensure diversity and representation of both genders in the supervisory function of the Bank have been achieved.

Taking into consideration the suitability assessment of the Members of the Supervisory Board, including the active participation in the meetings of the Supervisory Board and its Committees, the Supervisory Board has established 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.

During the previous financial year, no case of conflict of interest of the Members of the Management Board or the Supervisory Board was established.

V

The Management Board and the Supervisory Board acted in compliance with the applicable statutory regulations governing their scope of competence and roles and pursuant to the provisions of the Articles of Association of the Bank.

The Supervisory Board of the Bank supervised the conduct of the Bank's business affairs, directed the Bank's business policy, and actively contributed to its implementation, all on the basis of the reports of the Management Board on matters of significance for the Bank's operations and the condition of the Bank.

The Management Board provided the Supervisory Board with duly prepared, true and fair, and timely reports on the business policy and on other general matters pertaining to the future operations, corporate strategy, financial plans, risk management strategies, policies and other relevant internal acts, operational profitability, business performance as well as the balance of revenues and expenses, and the overall condition of the Bank, and other significant matters and business events, whereby the Members of the Management Board, each within their scope of competence, provided additional explanations and clarifications, thus ensuring effective decision-making process.

The Management Board of the Bank submitted financial statements on a quarterly, semi-annual, and annual basis and duly considered their realization with the Supervisory Board.

Pursuant to the statutory regulations, and within its scope of competence, the Supervisory Board granted consent to basic business documents adopted by the Management Board of the Bank, specifically: the

Business and Financial Plan for 2022, business targets and key performance indicators (KPI) of the Bank for 2022, the Risk Appetite Policy, the Recovery Plan and other internal acts related to risk management and risk appetite, the 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, the ESG Policy and a significant number of decisions with respect to the Bank's exposure to customers/groups of related persons, primarily in the domain of the Bank's credit operations.

In order to establish the effectiveness of the internal controls system, which is achieved through three lines of independent control functions - the Internal Audit, the Risk Management, and the Compliance, the Supervisory Board supervised the procedural suitability and the effectiveness of the internal controls system. Within its competence, the Supervisory Board approved the work plans of the Bank's control functions, approved the targets and key performance indicators of the control functions or the holders of control functions, and considered their reports, which were timely submitted on a semi-annual basis. Pursuant to statutory requirements and in compliance with the defined procedures and based on the results of the regular annual suitability assessment conducted by the Suitability Assessment Committee, the Supervisory Board has established the holders of control functions suitable to discharge their duties.

The Supervisory Board participated in the regular annual suitability assessment of the Members of the Management Board of the Bank. Based on the results of the suitability assessment carried out by the Suitability Assessment Committee, the Supervisory Board, following a positive opinion from the Appointments Committee, assessed the President and the Members of the Management Board of the Bank as individually suitable to discharge their duties, and assessed that the Management Board collectively possesses the necessary professional knowledge, skills and experience required to manage the Bank's operations independently and autonomously, understanding the operations of the Bank and significant risks it is exposed to.

The Management Board and the Supervisory Board cooperated efficiently and constructively, sharing relevant information necessary for the discharge of their tasks, thereby contributing to the achievement of the supervisory function. The Supervisory Board was able, at all times, to request and obtain information from the Management Board of the Bank on all matters pertaining to operations of the Bank which significantly impacted or could have impacted the position of the Bank, particularly information pertaining to the risk profile. The Management Board undertook to provide the Supervisory Board with suitable access to the information on the risk profile. Throughout the 2022 business year, successful and transparent cooperation was reflected in open discussions between the Management Board and the Supervisory Board of the Bank, and therefore in that regard, the Supervisory Board has established its cooperation with the Management Board of the Bank as successful.

In the light of the foregoing and taking into account the achieved financial results, the Supervisory Board has established that in 2022 the Management Board of the Bank conducted the business affairs of the Bank prudently and successfully in the best interests of all Shareholders and in line with its scope of competence, as established by the statutory regulations and the Bank's Articles of Association. The Management Board has also established clear internal relationships in connection with risk-taking and risk management, including separation of powers and responsibilities between the Supervisory Board, the Management Board, the appointed committees and the senior management.

VI

The Supervisory Board has considered the Annual Financial Statements of Hrvatska poštanska banka p.l.c. and the Consolidated Annual Financial statements of Hrvatska poštanska banka Group for 2022, the Management Board's Annual Report on the Condition of Hrvatska poštanska banka p.l.c. and its subsidiaries for 2022 and the Resolution on the distribution of profits for 2022, submitted by the Management Board of the Bank.

The Supervisory Board has established that the Annual Financial Statements of Hrvatska poštanska banka p.l.c. and the Consolidated Annual Financial statements of Hrvatska poštanska banka Group for 2022, have been drawn up in accordance with the balances recorded in the business books and that they give a true and fair view of the assets and the business condition of the Bank, which was confirmed by the independent auditor PricewaterhouseCoopers d.o.o., Ulica Vjekoslava Heinzela 70, Zagreb, who audited the Annual Financial Statements for 2022.

The Supervisory Board without objections grants its approval of the submitted Independent Auditor's Report, the Annual Financial Statements of Hrvatska poštanska banka, p.l.c, and the Consolidated Annual Financial Statements of Hrvatska poštanska banka Group for 2022, whereby pursuant to the provisions of Article 300.d of the Companies Act the Statements herein are established as considered by the Management Board and the Supervisory Board of the Bank.

In compliance with the obligations and pursuant to the supervision exercised in 2022, the Supervisory Board has established that Hrvatska poštanska banka p.l.c. has conducted its business affairs in compliance with applicable statutory regulations, subordinate legislation, the Articles of Association and other acts of the Bank, and the resolutions of the General Assembly.

VII

The Management Board has submitted to the Supervisory Board the Proposal of the resolution on the distribution of profits for 2022, whereby it has been established that Hrvatska poštanska banka p.l.c. earned in the year ended 31 December 2022 net profit in the amount of HRK 132,605,833.64 (EUR 17,599,818.65, calculated based on the fixed conversation rate where EUR 1 = HRK 7.53450). The Supervisory Board

hereby approves the Proposal of the resolution on the distribution of profits for 2022 submitted by the Management Board.

VIII

The Supervisory Board, together with the Management Board, has drawn up the Report on the remuneration paid to the Members of the Management Board and the Supervisory Board for 2022, audited by the independent auditor PricewaterhouseCoopers d.o.o., Zagreb. The report clearly outlines the amount of remuneration that the Bank has paid or has committed to pay to each incumbent and former Member of the Management Board and the Supervisory Board. The Report herein, together with the Report of the independent auditor PricewaterhouseCoopers d.o.o., shall be submitted to the General Assembly for consideration and approval.

IX

The Supervisory Board hereby submits the Report herein to the General Assembly of the Bank and proposes that the General Assembly considers the Annual Financial Statements of Hrvatska poštanska banka p.l.c. and the Consolidated Annual Financial Statements of Hrvatska poštanska banka Group for 2022, together with the Annual Management Board Report of the Condition of Hrvatska poštanska banka p.l.c. and its subsidiaries for 2022. The Supervisory Board hereby proposes that the General Assembly passes the Resolution on the discharge of the Members of the Management Board and the Supervisory Board, as well as to adopt the Resolution on the distribution of the profits for 2022, 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 allocation of profit earned in 2022

I

It is determined that Hrvatska poštanska banka, p.l.c. made a net profit of HRK 132,605,833.64 in the business year ended December 31, 2022 (EUR 17,599,818.65 converted at the fixed exchange rate EUR 1 = HRK 7.53450).

II

Pursuant to Article 220 of the Companies Act and the authority referred to in Article 33 of the Bank's Articles of Association, twentieth of the determined profit from item I of this Decision is allocated to legal reserves in the amount of HRK 6,630,291.68 (EUR 879,990.93 converted at the fixed exchange rate EUR 1 = HRK 7.53450).

III

The remaining amount of determined net profit in the amount of HRK 125,975,541.96 after its distribution from Article II of this Decision, is allocated to retained earnings (EUR 16,719,827.72 converted at the fixed exchange rate EUR 1 = HRK 7.53450).

IV

This resolution comes into force on the day of its adoption.

Explanatory Note to the Proposed Resolution

The proposed distribution of net profit is in accordance with Articles 220 and 300 b of the Companies Act and the Articles of Association of Hrvatska poštanska banka, p.l.c.

In accordance with strategic guidelines, the Bank will continue to distribute the realized net profit of the period to reserves and retained earnings so that the successful operation of the Bank, profitability and growth within the limits of possibilities can be continued.

Given that the Bank's other reserves reached the amount of half of the share capital or HRK 607,387,500.00 which is the legal maximum in accordance with Article 220, paragraph 3 of the Companies Act, is considered appropriate to propose on allocating of the twentieth part (5%) of net profit for 2022 to legal reserves and the remaining net profit in 2022 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 2022 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 2022, 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 the members of the Supervisory Board of the Bank performed in 2022 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

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 2022, 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 EUR 265.45 (HRK 2,000.00) in 2023.

II

This Resolution shall apply also to the period from 1 January 2024, until the adoption of the resolution on determination of remuneration for the Members of the Supervisory Board of the Bank for 2024.

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 2023 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, the Appointments Committee and ESG Committee**

I

The remuneration for work in the Audit Committee, the Risk Management Committee, the Remuneration Committee, the Appointment Committee and ESG Committee of Hrvatska poštanska banka, p.l.c. is determined for the business year 2023 as follows:

1. Audit Committee - monthly fee of EUR 265.45 (HRK 2,000.00) net, for each Member of the Committee,
2. Risk Management Committee, Remuneration Committee, Appointment Committee and ESG Committee - monthly fee of EUR 0.13 (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 2024, 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 2024 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, 151/22), Article 10 Decision on governance arrangements (OG 96/2018, 67/2019, 145/2020 i 145/2021) 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: (i) the Remuneration Committee, (ii) the Appointment Committee, (iii) the Risk Management Committee, (iv) the ESG Committee and (v) the Audit Committee.

With the exception of the Audit Committee, the Remuneration Committee, the Appointment Committee, the Risk Management Committee and the ESG Committee, are comprised of the Members of the Supervisory Board and therefore the Supervisory Board proposes a symbolic remuneration for this Committees 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 2023

I

The auditing firm BDO CROATIA d.o.o. („BDO“), Radnička cesta 180, Zagreb is appointed as the auditor for Hrvatska poštanska banka p.l.c., for the year ending 31 December 2023.

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 BDO CROATIA Ltd., Zagreb, be appointed as the auditor for the year 2023, 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

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 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 (OG No. 20/21 and 104/22) 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 2022

I

The Remuneration Report for the Members of the Management Board and Supervisory Board for 2022 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 2022 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 PricewaterhouseCoopers d.o.o., Ulica Vjekoslava Heinzela 70, Zagreb, 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 2022 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

[The Management Board and the Supervisory Board Diversity Policy 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 29 August 2022.

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 (OG No. 20/2021, 104/22), 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:

At the proposal of the Management Board of the Bank, the General Assembly of the Bank adopted a The Policy on the target structure and the assessment of the suitability of the Members of the Supervisory Board of the Bank on 29 August 2022.

With the aim of regulatory compliance with the Decision on amendments to 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(OG No. 104/22), 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 and the Supervisory Board propose that the General Assembly passes the following resolution:

RESOLUTION

on granting the authorization to the Management Board for own shares buyback and disposal

I

Authorization is granted to the Bank's Management Board to carry out share buyback of the Bank's own shares under the ticker HPB-R-A until the end of 2026, without further special consents of the General Assembly of the Bank, under following conditions:

1. total number of the Bank's own shares acquired pursuant to this Resolution, together with the own shares already held by the Bank, may not exceed 1% (one percent) of the Bank's share capital at the time of the buyback;
2. own shares must be acquired on a regulated and organized securities market;
3. the price at which the Bank's own shares are purchased may not exceed 5% (five percent) or be below 5% (five percent) of the average market price achieved for the shares during the previous trading day;
4. the quantity of own shares acquired over the course of one trading day may not exceed 25% of the average daily trading volume in the 20 trading days preceding the day of purchase;
5. in the business year in which the Bank acquired its own shares, it must allocate a part of the profit and record the amounts corresponding to the amounts paid for the acquisition of the Bank's own shares – to reserves for these shares, so that the Bank's net assets, disclosed in the financial reports for the last business year, do not fall below the amount of share capital and reserves that by law, Articles of Association or resolution of the General Assembly, the Bank should hold, and which may not be used for payments to shareholders, due to acquisition of these shares;
6. the Bank's Management Board must report to the first General Assembly that follow on the reasons and purpose of acquiring the shares, their number and share in the share capital and on the equivalent of what the Bank has paid for those shares.

II

The Bank's Management Board may dispose of Bank's own shares, which the Bank already holds or will acquire pursuant to the provisions of this Resolution, outside the regulated market for the purpose of variable remuneration and in accordance with regulatory requirements related to variable remuneration, when there is a justified basis for payment of variable remuneration in line with Remuneration policy and taking into account all regulatory restrictions with regard to disposal of own shares.

III

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

Explanatory Note to the Proposed Resolution

The Bank's Management Board proposes to the General Assembly to issue a decision on authorizing the Management Board to buyback and dispose of the Bank's own shares. The authorization would be valid until the end of 2026.

This authorization is required for regulatory requirements related to payment of variable remuneration which, when all legal preconditions are met and the necessary approvals of the Supervisory Board and the supervisory body are obtained, require the determination, allocation and payment of variable remuneration in instruments. In such a case, the Bank should have a mechanism to comply with regulatory requirements, while respecting all regulatory constraints during the disposal of own shares.

The Bank shall adopt and publish an own shares buyback program prior to the commencement of trading, i.e. the acquisition of own shares. Data with regard to acquisition of own shares will be published regularly on the Zagreb Stock Exchange and in accordance with the Rules of the Zagreb Stock Exchange, and the General Assembly will be informed about the acquired shares, their quantity and the paid price.

Under Agenda **Item 15** the Management Board and the Supervisory Board propose that the General Assembly passes the following resolution:

RESOLUTION
on adjustment of the share capital and the nominal amount shares
of the Hrvatska poštanska banka, p.l.c.

I

Pursuant to Article 7 of the Articles of Association of the Bank, the share capital amounts to HRK 1,214,775,000.00 (in words: one billion two hundred fourteen million seven hundred seventy-five thousand) and is divided into 2,024,625 (in words: two million twenty-four thousand six hundred and twenty-five) ordinary registered shares, each of the nominal value of HRK 600.00 (in words: six hundred) and it has been paid in full.

II

Under this Resolution, which is adopted in the procedure of alignment of the Bank's share capital and parts of the respective capital referring to individual shares, with provisions of Article 21 of the Act on the amendments to the Companies Act (OG No. 114/22), the current amount of the share capital and the nominal amount of shares is converted into amount expressed in euro, by application of the fixed HRK/EUR exchange rate (EUR 1 = HRK 7.53450), by rounding it to the nearest cent, in accordance with the rules of conversion and rounding as stipulated by the Law on the introduction of the euro as official currency in the Republic of Croatia (OG No. 57/22 and 88/22 – correction).

III

Pursuant to point II of this Resolution:

- the share capital of the Bank in point I of this Resolution, converted into euros, amounts to EUR 161,228,349.59 (in words: one hundred and sixty-one million, two hundred and twenty-eight thousand, three hundred and forty-nine euros and fifty-nine cents),
- the nominal value of the Bank's shares from the point I of this Resolution, converted into euros, amounts to EUR 79.63 (in words: seventy-nine euros and sixty-three cents).

IV

The share capital of the Bank is adjusted with the regulation which regulates the establishment of commercial companies, to the extent necessary:

- from the amount of EUR 161,228,349.59 (in words: one hundred sixty-one million two hundred twenty-eight thousand three hundred forty-nine euros and fifty-nine cents)
- by the amount of EUR 741,650.41 (in words: seven hundred forty-one thousand six-fifty euros and forty-one cents)
- to the amount of EUR 161,970,000.00 (in words: one hundred and sixty-one million, nine hundred and seventy thousand euros).

V

The adjustment of the share capital from point IV of this Resolution is carried out by adjusting the nominal amount of shares:

- from the amount of EUR 79.63 (in words: seventy-nine euros and sixty-three cents)
- to the amount of EUR 80.00 (in words: eighty euros),

and in order to have the nominal amount of shares rounded to the nearest whole number.

VI

The amount of EUR 741,650.41 (in words: seven hundred forty-one thousand six-fifty euros and forty-one cents) from point IV of this Resolution, by which the share capital was adjusted, is charged to the legal reserves of the Bank.

VII

After the adjustment, the Bank's share capital amounts to EUR 161,970,000.00 (in words: one hundred and sixty-one million nine hundred and seventy thousand euros) and is divided into 2,024,625 (in words: two million twenty-four thousand six hundred and twenty-five) ordinary registered shares, each of the nominal value of EUR 80.00 (in letters: eighty euros).

The current rights attributed to the Bank's shareholders based on the law and the Bank's Articles of Association, shall remain unchanged, whereby the indicated total number of issued ordinary shares of the Bank shall remain unchanged.

VIII

In pursuance with this Resolution the Articles of Association shall be amended and the Resolution shall become effective at the date of the entry of the respective amendments of the Articles of Association into the Court Register.

Explanatory Note to the Proposed Resolution

Since as of January 1, 2023, Euro became the official currency in Republic of Croatia, the Bank is obliged to adjust share capital and the nominal value of shares with the provisions of Law on the introduction of

Euro as the official currency in Republic of Croatia (OG no. 57/22 and 88/22 - correction) and Law on Amendments to the Companies Act (OG 114/22).

When recalculating the existing amount of share capital and the nominal amount of shares, a fixed conversion rate of HRK to Euro (1 Euro = 7.53450 HRK) was applied, with rounding to the nearest cent, as per the rules for recalculation and rounding as regulated by Law on the introduction of Euro as the official currency in Republic of Croatia.

Furthermore, in accordance with Law on Amendments to Companies Law, in the process of reconciling the share capital and its parts, the converted nominal amount of the share in a decimal number is rounded and expressed as a whole number, resulting in a difference which represents the adjustment of the share capital in that amount by using the Bank's legal reserves.

Under Agenda **Item 16** the Management Board and the Supervisory Board propose that the General Assembly passes the following resolution:

RESOLUTION
on amendments of the Articles of Association of the Hrvatska poštanska banka, p.l.c.

I

Article 7 of Articles of Association of the Hrvatska poštanska banka, p.l.c. (hereafter referred to as: Articles of Association), is amended so that it now reads as follows:

"The share capital of the Bank amounts to EUR 161,970,000.00 (in words: one hundred and sixty-one million nine hundred and seventy thousand euros) and is divided into 2,024,625 (in words: two million twenty-four thousand six hundred and twenty-five) ordinary registered shares, each of the nominal value of EUR 80.00 (in words: eighty euros)."

II

Article 16 of the Articles of Association is deleted.

III

Article 34 of Articles of Association is amended so that it now reads as follows:

"The Articles of Association shall enter into force upon entry in the court register."

IV

Other provisions of the Articles of Association remain unchanged.

V

These amendments to the Articles of Association shall enter into force upon entry in the court register with the competent court.

Explanatory Note to the Proposed Resolution

In accordance with the proposal of the adjustment of the share capital and the nominal amount of the Bank's shares with the Act on the introduction of the euro as the official currency in the Republic of Croatia and with the regulation which regulates the establishment of commercial companies, it is proposed to amend Article 7 of the Articles of Association to adjust the provision on share capital.

It is proposed to delete Article 16 of the Articles of Association - the provision on the authorization of the Management Board, by which the Management Board of the Bank was authorized during a period of five years, counting from the date of entry of this authorization in the court register, to make one or more resolutions on increasing the Bank's share capital by paying contributions in money, by issuing new shares. Since the authorization in question was entered in the court register by the Resolution of the Commercial Court in Zagreb dated December 30, 2010, and since the period of five years has passed, the authorization provision must be deleted.

The amendment of Article 34 of the Articles of Association is proposed to define the provision more clearly on the entry into force of the Articles of Association of the Bank.

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

The Bank's share capital amounts to HRK 1,214,775,000.00 (EUR 161,228,349.59 calculated based on the fixed conversion rate EUR 1 = HRK 7,53450) and is divided into 2,024,625 ordinary shares each in the nominal value of HRK 600.00 (EUR 79.63 calculated based on the fixed conversion rate EUR 1 = HRK 7,53450), deposited in the depository at the Central Depository & Clearing Company Inc., coded HPB-R-A.

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

Registrations for participation in the General Assembly is to be submitted directly to the Bank or may be sent to the Bank by registered mail, so that the Registrations for participation must be received by the Bank 6 (six) days prior to the General Assembly being held.

Registrations for participation in the General Assembly can be submitted:

- by registered mail to the address of the Bank's headquarters: **Hrvatska poštanska banka, dioničko društvo, Ured Uprave, Jurišićeva ulica 4, 10000 Zagreb.**
- by direct/personal handover, exceptionally in this case due to the renovation of the headquarters, in the Bank's temporary occupied offices at the address: **Hrvatska poštanska banka, dioničko društvo, Ured Uprave, Ulica grada Vukovara 269D/I floor, 10000 Zagreb.**

The given deadline of 6 days does not include the day when the registration for participation is received by the Bank, or the day of the General Assembly session, **i.e. the right to participate and vote in the General Assembly shall be granted to those shareholders whose registrations for participation is received at the above stated addresses on August 23, 2023 at the latest, and who are registered as shareholders of Bank in the depository at the Central Depository & Clearing Company Inc., on that same day.**

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, 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.

Contacts:

e-mail: ured.upraveGS@hpb.hr

Investor Relations: Sandra Skendžić, phone +385 1 4804 410

Business Secretary: Snježana Čop, phone +385 1 4804 652