

Extraordinary General Meeting

4 November 2015

(explanation of proposed decisions)

Agenda

1. **Decision on the suitability of candidates for members of the Supervisory Board of the Bank**
2. **Decision on the election of members of the Supervisory Board of the Bank**

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1. **Decision on the suitability of candidates for members of the Supervisory Board of the Bank**

According to the provisions of the Credit Institutions Act and the CNB's Decision on the assessment of the suitability of the chairperson of the management board, members of the management board, members of the supervisory board and key function holders in a credit institution, the General Meeting decides on the suitability of members of the Supervisory Board of the Bank.

Before submitting the draft decision to the General Meeting, a suitability assessment of present members and candidates for members of the Supervisory Board was conducted at the Bank in accordance with the *Policy on the assessment of the suitability of members of the Supervisory Board of the Bank*, adopted by the General Meeting of the Bank, and the *Policy on the structure of the Management Board and the Supervisory Board of Privredna banka Zagreb d.d.*, adopted by the Supervisory Board of the Bank.

This suitability assessment was conducted in terms of four candidates for members of the Supervisory Board, specifically Mr Fabrizio Centrone, who is directly appointed by the shareholder Intesa Sanpaolo Holding Int., Luxembourg, in line with the Bank's Articles of Association, and three members whose election is proposed to the General Meeting.

The Nomination Committee issued a positive opinion on the proposal of the Management Board of the Bank.

2. **Decision on the election of members of the Supervisory Board of the Bank**

Pursuant to Article 275 of the Companies Act the General Meeting is to decide on the election of members of the Supervisory Board.

Considering the resignation of Mr Massimo Malagoli, who was directly appointed by the majority shareholder, and the resignation of Ms Nora Kocsis, who served on the Supervisory Board as a representative of the former shareholder EBRD, and the fact that the terms of office of two current members, Mr Sarcinelli and Mr Jeren, will expire in March and April 2016 respectively, and given that the Supervisory Board of the Bank is composed of seven members, of whom one is appointed directly by the majority shareholder, a proposal is put forth to elect the following three members to the Board for a term of office of three years, namely:

- Mr Antonio Nucci to serve a term of office starting from the date of issuance of the prior approval of the Croatian National Bank for performing the function of a member of the supervisory board of a credit institution
- Mr Paolo Sarcinelli to serve another term of office starting from 30 March 2016 subject to prior approval of the CNB
- Mr Branko Jeren (independent member) to serve another term of office starting from 21 April 2016 subject to prior approval of the CNB.

The resumes of the nominated candidates are available on the Bank's web site.

Zagreb, 2 October 2015

Privredna banka Zagreb d.d.