

Extraordinary General Meeting

19 December 2018

(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 three 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 candidates for member of the Supervisory Board of the Bank.

The three-year terms of office of three members of the Supervisory Board will expire in 2019, namely that of Mr Paolo Sarcinelli on 30 March, of Mr Branko Jeren (independent member) on 21 April, and of Mr Christophe Velle on 17 October.

Before submitting the draft decision to the Extraordinary General Meeting, a suitability assessment of three candidates for members of the Supervisory Board: Mr Sarcinelli, Mr Jeren and Mr Velle was conducted at the Bank in accordance with valid regulations and the *Policy on the assessment of the suitability of members of the Supervisory Board of the Bank* and the *Policy on the structure of the Supervisory Board of the Bank*, both adopted by the General Meeting of the Bank.

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

Pursant to Article 275 of the Companies Act the General Meeting decides on the election of members of the Supervisory Board.

After the suitability assessment of Mr Sarcinelli, Mr Jeren, and Mr Velle had been performed by the Bank's expert service, the Nomination Committee issued a positive opinion on their suitability for performing the function of a member of the Supervisory Board of the Bank, proposing them to the Supervisory Board of the Bank as candidates for Supervisory Board members to serve another term of office.

Further to the foregoing and according to the provisions of Article 280 of the Companies Act, the Supervisory Board submits to the Extraordinary General Meeting of the Bank planned for 19 December 2018 the proposal to re-elect Mr Sarcinelli, Mr Jeren and Mr Velle as members of the Supervisory Board of the Bank for a three-year term of office, effective from the day after the expiry of their current terms of office and subject to prior approval of the Croatian National Bank for performing the function of a member of the supervisory board of a credit institution.

The resume of the nominated candidate is available on the Bank's web site.

Zagreb, 15 November 2018

Privredna banka Zagreb d.d.