

ARTICLES OF ASSOCIATION (STATUTE) OF ERSTE&STEIERMÄRKISCHE BANK d.d.

Article 1

CORPORATION-CORPORATE NAME AND HEAD OFFICE

- (1) ERSTE&STEIERMÄRKISCHE BANKA joint stock company (hereinafter: the Bank) is registered with the Commercial Court in Rijeka under the registration number (MBS) 040001037.
- (2) The Bank operates under the corporate name: ERSTE&STEIERMÄRKISCHE BANKA dioničko društvo.
- (3) The Bank's short corporate name is: ERSTE&STEIERMÄRKISCHE BANK d.d.
- (4) The Bank's corporate name and the short corporate name may be changed by a resolution of the General Meeting.
- (5) The Bank's head offices are in Rijeka, at 3a Jadranski trg.
- (6) For the purposes of its business activities, the Bank uses its corporate seal and its corporate name or its short corporate name.
- (7) The Bank's Management Board shall define the shape and size of the seal and the manner in which it shall be used.

Article 2

THE SCOPE OF BUSINESS

(1) The scope of the Bank's business is performing the following activities:

- * acceptance of deposits or other repayable funds from the public and the granting of credits for own account from these funds;
- * acceptance of deposits or other repayable funds,
- * lending, including consumer credit, mortgage credit and, where permitted by a special law, financing of commercial transactions, including export financing based on the purchase at a discount without recourse of non-current, nonmatured receivables collateralized with a financial instrument (forfeiting);
- * repurchase of receivables with or without recourse (factoring);
- * financial leasing;
- * issuance of guarantees or other commitments;
- * trading for own account or for the accounts of clients in:
 - money market instruments;
 - transferable securities;
 - foreign exchange, including currency exchange transactions;
 - financial futures and options;
 - exchange and interest-rate instruments;
- * money transmission services in the country and abroad in accordance with special laws;

- * credit reference services, such as collection, analysis and provision of information on the creditworthiness of legal and natural persons that conduct their business independently;
- * issuing and administering other means of payment, if the provision of such services is not considered the provision of money transmission services in the country and abroad in accordance with special laws;
- * safe custody services;
- * money broking;
- * participation in issues of financial instruments as well as the provision of services relating to issues of financial instruments in accordance with the law governing the capital market;
- * safekeeping of financial instruments and services related to the safekeeping of financial instruments in accordance with the law governing the capital market,
- * investment and ancillary services and activities prescribed in the special law governing the capital market, as follows:
 - reception and transmission of orders in relation to one or more financial instruments;
 - execution of orders on behalf of clients;
 - dealing on own account,
 - investment advice;
 - underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis,
 - underwriting of financial instruments and/or placing of financial instruments without a firm commitment basis,
 - safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management,
 - granting credits or loans to an investor to allow him/her/it to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction,
 - advice on capital structure, industrial strategy and related matters, and advice and services relating to mergers and the purchase of undertakings,
 - foreign exchange services where these are connected to the provision of investment services,
 - investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments,
 - services relating to underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis,
 - investment services and activities as well as ancillary services related to the underlying of the derivatives referred to in Article 3, paragraph 1, point 2, subpoint d, indents 2, 3, 4 and 7 of the Capital Market Act, where these investment services and activities are connected to the provision of investment or ancillary services;
- * activities related to the sale of insurance policies in accordance with the law governing insurance.

Article 3

ORGANISATION OF THE BANK

- (1) The Bank operates on its own behalf and for its own account, on its own behalf for the account of other persons and on behalf of and for the account of other persons.
- (2) The Bank may operate its business through its branches, business units and representative offices.
- (3) The Management Board of the Bank shall be in charge of Bank's organisation.
- (4) The Bank is incorporated for an indefinite period of time.

- (5) The Bank shall publish all its statutory notices in the Public Gazette of the Republic of Croatia.
- (6) The Bank's business year shall correspond with the calendar year.

Article 4

SHARE CAPITAL, SHARES AND RESERVES

- (1) The share capital of the Bank amounts to HRK 1,698,417,500.00 and has been fully paid.
- (2) The share capital of the Bank is divided into 16.984.175 ordinary shares issued in dematerialized form, in the nominal value of HRK 100,00 per share, maintained with the Central Depository & Clearing Company (hereinafter: CDCC) with designation RIBAR-A.
- (3) Nominal value of each share is Kuna 100,00.
- (4) Each share carries one vote at a General Meeting of the Bank.
- (5) The Bank's shares are held by the depository CDCC in Zagreb pursuant to an agreement between the Bank and CDCC dated July 19, 1999.
- (6) The Bank shall maintain such reserves as necessary for its business and as required by law.
- (7) The Management Board shall every year, within the statutory period of time, prepare report on the good standing of the Bank and annual financial statements for the previous year. The annual financial statements shall be reviewed by the Bank's external auditors and presented to the Supervisory Board by the Management Board, together with external auditors' report, the report on the good standing of the Bank and the Management Board's proposal for distribution of profit. When approved by the Supervisory Board, the annual financial statements shall be determined by the Management Board and the Supervisory Board, unless the Management Board and the Supervisory Board decide that the annual financial statements shall be determined by the General Meeting.
- (8) The Management Board shall present to the Supervisory Board the business plan for the new financial year prior to its adoption.
- (9) The General Meeting shall decide on distribution of profit after tax and transfer thereof to reserves of the Bank.
- (10) Dividends, if any, shall be paid to shareholders pro rata to their shareholdings.

Article 5

INCREASE AND DECREASE OF THE SHARE CAPITAL

- (1) Any increase or decrease of the Bank's share capital shall be subject to a General Meeting and such resolution shall be adopted in accordance with Article 7 paragraph (12) and (14).
- (2) The existing shareholders shall have pre-emption rights pro rata to their shareholdings on every increase of the Bank's share capital, which pre-emption rights can be waived by a General Meeting resolution adopted in accordance with Article 7 paragraph (12) and (14).

Article 6

BODIES OF THE BANK

(1) The Bank's bodies are:

- a) General Meeting
- b) Supervisory Board
- c) Management Board

Article 7

GENERAL MEETING

(1) The Bank's shareholders shall exercise their rights at a General Meeting.

(2) A General Meeting shall decide on all matters as required by relevant regulations and the Articles of Association of the Bank and in particular on the following issues:

- 2.1. election and revocation of members of the Supervisory Board, unless they have been appointed in accordance with Article 8, Paragraph 2 of the Articles of Association;
- 2.2. distribution of profit;
- 2.3. granting acquittal to members of the Management Board and Supervisory Board for their work;
- 2.4. appointment of the Bank's auditor;
- 2.5. amendments of these Articles of Association;
- 2.6. increase and decrease of the Bank's share capital;
- 2.7. cessation of the Bank;
- 2.8 change of the corporate name and head offices of the Bank.

(3) Decisions in respect of the matters as per sub-paragraphs 2.2, 2.4. to 2.8. of this Article 7 may be made by a General Meeting only after the Supervisory Board has provided required reports or its opinion on such matters.

(4) A General Meeting shall be called by the Management Board or by the Supervisory Board not less than once a year and when the interests of the Bank require it or the Supervisory Board deems it necessary.

(5) A General Meeting shall also be called if so requested in writing by the Bank's shareholders who together hold not less than one twentieth (1/20) of the Bank's share capital providing that the Management Board has been notified about the purpose of the General Meeting.

(6) The right to participate in the General Meeting and exercise their voting right at the General Meeting have shareholders who are on the 7th day prior to the day of the General Meeting registered as shareholders of the Bank with the CDCC.

(7) A General Meeting shall be chaired by a person appointed by the General Meeting. The appointment procedure shall be carried out by the Notary Public present at the General Meeting.

(8) The proceedings at a General Meeting shall be recorded in Minutes.

(9) The Minutes of the General Meeting, including all resolutions made, shall be recorded by a Notary Public.

(10) An officially authenticated copy of the minutes together with all relevant appendices shall be filed with the Companies Registrar at the Commercial Court in Rijeka.

(11) A General Meeting shall make its decisions by votes given by the shareholders present in person or by proxy at the General Meeting.

(12) A General Meeting shall have a quorum if shareholders representing at least $\frac{3}{4}$ of the total share capital of the Bank are present (either in person or represented by proxy) for adoption of resolutions in respect of matters listed in paragraph (14) of this Article, and for the adoption of resolutions in respect of any other matters the necessary quorum shall be not less than fifty percent (50%) of the Bank's share capital. If the General Meeting does not have a quorum the next General Meeting with the same agenda shall take place on a date stated in the notice for the General Meeting and which shall not be longer than 15 days after the original date, when the General Meeting shall make valid resolutions regardless of the number of shareholders present.

(13) Voting at a General Meeting is public. Unless otherwise required by law or by these Articles, a General Meeting shall make its decisions by a simple majority of the votes given by the shareholders present in person or by proxy at the General Meeting.

(14) A General Meeting resolution adopted by such number of votes as constitutes not less than $\frac{3}{4}$ of the Bank's share capital present at the General Meeting is required for:

- amendments to these Articles of Association;
- consent by the General Meeting for certain decisions in the absence of the Supervisory Board's consent;
- removal of a member of the Supervisory Board;
- increase of the Bank's share capital;
- waiver of the shareholders' pre-emption rights in conjunction with a decision on the increase of the Bank's share capital;
- increase of the Bank's share capital by conversion of loan stock into equity;
- five-year consent granted to the members of the Management Board to increase the Bank's share capital;
- increase of the Bank's share capital from company assets;
- issue of convertible or dividend bearing bonds;
- special rights to dividends;
- ordinary reduction in the amount of the Bank's share capital;
- simplified reduction of the Bank's share capital;
- reduction of the Bank's share capital by redemption of its own shares;
- change of the Bank's corporate name;
- change of the Bank's head offices;
- cessation of the Bank;
- amalgamation or merger with other bank and
- division of the Bank.

(15) Every shareholder can be represented at a General Meeting by his proxy who will be required to present a written Power of Attorney (Proxy) executed for that particular purpose.

Article 8

SUPERVISORY BOARD

(1) The Supervisory Board shall supervise the management of the Bank. It has authority to inspect the Bank's business books and any and all Bank's documents and assets including cash and any securities, which and when it deems necessary. For that purpose the Supervisory Board may instruct its own members and/or experts. The Supervisory Board shall report to the General Meeting in writing on its supervision and findings.

(2) The Supervisory Board shall have five (5), seven (7), nine (9), or eleven (11) members, as resolved by the General Meeting. The members of the Supervisory Board shall be elected by the General Meeting.

(3) The mandate of the elected Supervisory Board member shall commence, unless otherwise decided by the General Meeting at the time of election, at the first session of the Supervisory Board after the General Meeting at which such member was elected. The mandate will terminate, unless otherwise decided by the General Meeting at the time of election, at the end of the fourth Annual General Meeting following that at which the member was elected. A General Meeting can revoke the elected member of the Supervisory Board before the expiry of his/her mandate by a resolution adopted by not less than $\frac{3}{4}$ of the shareholders' votes present at the General Meeting. The Supervisory Board members can be re-elected.

(4) Any physical person who is capable of doing business can be a member of the Supervisory Board.

(5) The following persons may not be elected members of the Supervisory Board:

5.1. a member of the Bank's Management Board;

5.2. already a Supervisory Board member or a Board of directors member in 10 (ten) other companies

5.3. a member of the management board or an Executive Director of the company which is a subsidiary of the Bank;

5.4. a member of the management board of any other company or bank where a member of the Bank's Management Board is a member of the Supervisory Board or the Board of directors;

5.5. a person who does not meet the requirements of the Companies Act, the Credit Institutions Act and other relevant regulations.

(6) The members of the Supervisory Board shall elect among themselves the President and the Deputy of the Supervisory Board.

(7) The Supervisory Board may appoint various committees among its members, which committees may also include experts in various aspects of banking and which experts shall act as consultants only. In addition, the Supervisory board establishes committees in accordance with the relevant regulations.

(8) The Supervisory Board shall have its own By-laws whereby the arrangement of meetings, decision-making process, the position of committees and their authorities shall be governed.

(9) The Supervisory Board's activities are carried out at its meetings. The Supervisory Board's meetings are chaired by the President of the Supervisory Board or his Deputy.

(10) The Supervisory Board's meetings shall be called by written notice, delivered to all its members, accompanied by the Agenda for the Meeting and all the material relevant for the particular meeting. The Supervisory Board may decide that the Supervisory Board can vote and decide on a motion in writing or by fax, without convening a meeting.

(11) The Supervisory Board may adopt valid decisions if the meeting was validly convoked in accordance with the provisions of the previous paragraph and the rules of procedure of the Supervisory Board, if at least more than a half of members of the Supervisory Board are present at the meeting. The remaining members who are not present may be represented by proxy by any other member of the Supervisory Board who is present at the meeting, provided that the authorisation for representation is submitted in writing to the Supervisory Board prior to the meeting. If the voting is done in writing or by fax, the resolution is adopted in a valid manner if the majority of the total number of members has voted for the resolution, and if no other member of the Supervisory Board is opposed to such voting.

(12) The Supervisory Board shall make its decisions by a simple majority of the votes cast, unless relevant laws or the Bank's bylaws do not provide for some other kind of majority, in which case the decision is made if the majority determined by the relevant laws and the Bank's bylaws has voted in favour.

(13) The proceedings at meetings of the Supervisory Board and its decisions made shall be recorded in Minutes. The Minutes shall be signed by the President of the Supervisory Board or his Deputy. The Minutes shall be recorded by a secretary appointed by the President of the Supervisory Board.

(14) Members of the Supervisory Board shall keep confidential all the confidential information or information which might constitute the Bank's business secrets.

(15) The Supervisory Board shall decide on all matters as required by law or these Articles and in particular on the following issues:

- 15.1. appointment and dismissal of the members and the President of the Management Board;
- 15.2. execution of service agreements with the members of the Management Board;
- 15.3. supervision of the Management Board's performance;
- 15.4. monitoring the Bank's business activities with regard to the application of law, the Bank's By-laws and resolutions of General Meetings;
- 15.5. supervision of the Bank's financial and business bookkeeping;
- 15.6. supervision of the annual financial reports of the Bank;
- 15.7. investigation of reasons for failure to achieve planned targets;
- 15.8. supervision over the Bank's business results.

(16) The Supervisory Board may, subject to the Management Board's consent, attend the Management Board's meetings.

(17) The decisions of the Bank's Management Board subject to the Supervisory Board's approval are determined in the Rules of Procedure of the Supervisory Board.

(18) The legal transactions subject to the Supervisory Board's prior approval are determined in the Rules of Procedure of the Supervisory Board.

- (19) The members of the Supervisory Board shall receive reimbursement for their expenses. The General Meeting may decide the amount of reimbursement for the Supervisory Board members.
- (20) Each member of the Supervisory Board may resign at any time. The resignation letter shall be addressed to the Management Board, without giving reasons for the resignation. The Management Board shall inform the other members of the Supervisory Board on the resignation and take measures to enter the change of composition of the Supervisory Board into the Court Register. Whenever a member of the Supervisory Board ceases to be a member before his mandate expires, notwithstanding the reason, a new member will be elected without delay, and not later than at the next regular General Meeting. A new member can also be appointed by the court.

Article 9

MANAGEMENT BOARD AND REPRESENTATION OF THE BANK

- (1) The Management Board is responsible for conducting the Bank's business.
- (2) The Management Board of the Bank has two to seven members who are appointed and recalled by the Supervisory Board.
- (3) The number of the members of the Management Board is determined by the Supervisory Board. The term of office of the members of the Management Board is a maximum of five years, with the possibility of reappointment. The Supervisory Board appoints one member of the Management Board as the chairman of the Board, and may also appoint the deputy chairman of the Management Board.
- (4) The members of the Management Board shall operate the Bank's business pursuant to the Companies Act, the Credit Institutions Act and other relevant regulations. The members of the Bank's Management Board shall be jointly liable to the Bank for damage arising as a consequence of errors of commission or omission in the performance of their duties, unless they demonstrate that in managing the Bank they acted with the due diligence of a prudent businessperson.
- (5) Members of the Management Board shall operate the Bank's business jointly and in accordance with these Articles of Association, the Management Board's By-laws and law. The Supervisory Board may decide that each member of the Management Board shall be responsible for certain area of the Bank's business activities and may determine which decisions members of the Management Board may adopt individually.
- (6) The Bank is represented jointly by two members of the Management Board, or by one member of the Management Board, together with the procurator. Procura shall be granted by a Management Board decision subject to the Supervisory Board approval, with the extent of powers as prescribed by the Companies Law. The person to whom the procura shall be granted must fulfill the conditions for appointment of a management board member as prescribed by the Companies Law.
- (7) Depending on number of its members, the Management Board shall decide by the following majorities:
 - if the Management Board consists of 2 (two) members, the Management Board passes the decisions and resolutions unanimously,

-if the Management Board consists of 3 (three) or 4 (four) members, the Management Board passes decisions and resolutions with at least 2 (two) votes,
-if the Management Board consists of 5 (five) members, the Management Board passes decisions and resolutions with at least 3 (three) votes,
-if the Management Board consists of 6 (six) members, the Management Board passes decisions and resolutions with at least 4 (four) votes,
-if the Management Board consists of 7 (seven) members, the Management Board passes decisions and resolutions with at least 5 (five) votes,
unless relevant laws or the Bank's bylaws do not provide for some other kind of majority, in which case the decision is made if the majority determined by the relevant laws and the Bank's bylaws has voted in favour.

(8) Each member of the Management Board has one vote, and in the event of equally divided number of votes the prevailing vote shall be cast by the President of the Management Board.

(9) The meeting shall be recorded in minutes, which shall be signed by the Chairperson who chaired the Meeting, and the recording secretary.

(10) If the Management Board consists of two, three or four members, the Management Board may adopt valid decisions if at least two members of the Management Board are present at the meeting. If the Management Board consists of five members, it may adopt valid decisions if at least three members of the Management Board are present at the meeting. If the Management Board consists of six members, it may adopt valid decisions if at least four members of the Management Board are present at the meeting. If the Management Board consists of seven members, it may adopt valid decisions if at least five members of the Management Board are present at the meeting.

(11) Meetings are held, as a rule, once a week. Meetings are summoned by the President. If President is prevented from performing his functions, the Meeting may be summoned by any member of the Management Board, if a decision is to be made promptly, and delay of which would incur irreparable damage.

(12) The Management Board shall be responsible for the good standing of the Bank and carrying out the General Meeting's resolutions. The Management Board is also responsible for the business of the Bank including investment decisions, the maintenance of the Bank's assets, the accounts held by the Bank, and for book keeping and the Bank's documentation being undertaken and maintained in a prudent and lawful manner. It shall keep the Supervisory Board informed about the Bank's performance and shall present to the Supervisory Board, as soon as practicable, however not later than November in each year, its decisions on the Bank's budget and investment plans for the following business year and shall submit to the Supervisory Board a quarterly written report on the Bank's business activities and the Bank's assets.

(13) The Supervisory Board may, for good reasons, revoke its appointment of any member of the Management Board or its President. In the event of resignation of a member of the Management Board a notice thereof shall be given to the Supervisory Board. The "good reason" shall be gross negligence committed by a Management Board member in performing his duties, inability to perform the Bank's business properly or lack of confidence expressed at a General Meeting.

(14) During his mandate no member of the Management Board shall without prior consent of the Supervisory Board:

(a) take employment, mandate or engagement with any other company or bank,

(b) in his/her own name and for his/her own account directly or indirectly be concerned or interested in business activities which are related to the Bank's business activities,

(c) take membership in any company/partnership.

Article 10

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

(1) These Articles of Association may be amended by a resolution of the General Meeting in accordance with Article 7 paragraph (12) and (14).

(2) A proposal to amend the Articles may be given by the Supervisory Board, the Management Board and / or the Bank's shareholders whose shareholding is not less than twenty percent (20%) of the total number of the shares in issue at the time when the proposal is put forward. The proposal shall be made to the Supervisory Board who shall decide whether or not to adopt the proposed amendments to the Articles. If the Supervisory Board decides to adopt the proposed amendments of the Articles it shall prepare the wording of the proposed amendments for the General Meeting. In the event that the Supervisory Board does not approve the proposed amendments to the Articles, it shall inform the General Meeting accordingly and state its reasons.

Article 11

FINAL PROVISION

These Articles of Association shall come into force upon registration with the Court Registrar of Rijeka.

In Zagreb, November 18, 2015

**Chairman of the General Meeting
Maja Kuhar Sobin**