

ZAGREB STOCK EXCHANGE

**Ivana Lučića 2a
10 000 Zagreb**

**CROATIAN FINANCIAL SERVICES
SUPERVISORY AGENCY (HANFA)**

**Miramarska 24b
10 000 Zagreb**

OTS HINA

Bond RIBA-O-177A
ISIN: HRRIBAO177A1

Bond RIBA-O-17BA
ISIN: HRRIBAO17BA8

Official Market, Zagreb Stock Exchange

Zagreb, June 17, 2014

SUBJECT: General Meeting decisions

ERSTE&STEIERMÄRKISCHE BANK d.d. with its headquarters in Rijeka, Jadranski trg 3/a ("Bank") announces that the General Meeting of the Bank, held on June 17, 2014, at Bank's business premises, Zagreb, Ivana Lučića 2, adopted, inter alia, the following decisions:

- a) Decision on amendments of the Articles of Association of the Bank
- b) Decision on Appointment of the Bank's Auditor for the year 2014

a) Decision on amendments of the Articles of Association of the Bank
"Pursuant to provisions of Article 275, Paragraph 1, Item 5 of the Companies Act and Article 7, Paragraph 2, Item 2.5. of the Articles of Association of the Bank, the General Meeting passes the following

**DECISION
on amendments of the Articles of Association of the Bank**

“1

Article 7, Paragraphs 2, 3, 6, 10 and 14 are amended and now read as follows:

“(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.

(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.

(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.

(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."

II

Article 8, Paragraphs 5 and 7 are amended and now read as follows:

"(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.

(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."

Article 8, Paragraph 17, Item 17.9. is amended and now reads as follows:

„17.9. setting up and adoption of the employment policy and Remuneration Policy;”

Article 8, Paragraph 18, Item 18.5. and 18.6. are amended and now read as follows:

- “18.5. Persons who along with the persons mentioned in this Paragraph, Items 18.1-18.4 constitute a group of connected clients in accordance with the relevant regulations;*
- 18.6. The Management Board and the Supervisory Board members, as well as procurists of the parent undertakings and subsidiaries;”*

Article 8, Paragraph 19, Item 19.4. is amended and now reads as follows:

- „19.4. Current account overdrafts, Maestro Instalment and Revolving Cash Loans to the Management Board and the Supervisory Board members, as well as the procurists in the parent undertakings and subsidiaries;”*

III

Article 9, Paragraphs 2, 4, 7, 8, 10, 11 and 14 are amended and now read as follows:

“(2) The Management Board of the Bank has two to seven members who are appointed and recalled by the Supervisory 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.

(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.

(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.

(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."

IV

Other provisions of Articles of Association remain unchanged.

V

Amendments to the Articles of Association shall enter into force as of the date of registration at the Court Register.

VI

The Chairman of the General Meeting is entitled to ascertain and sign revised text of the Articles of Association."

- b) Decision on Appointment of the Bank's Auditor for the year 2014

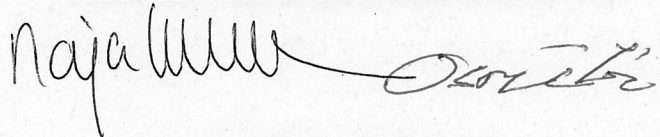
I

The company Deloitte d.o.o., Radnička 80, 10000 Zagreb, is appointed as the Bank's Auditor for the year 2014.

II

This Decision shall enter into force as of the day of its adoption."

ERSTE&STEIERMÄRKISCHE BANK d.d.



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