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**Policy for the selection and suitability assessment  
of members of the Zagreb Stock Exchange, Inc. Supervisory Board**

Pursuant to Article 14 of the Articles of Association of the Zagreb Stock Exchange, Inc., Article 289(10) and (17) of the Capital Market Act (NN Nos 65/18, 17/20, 83/21 and 151/22) and Article 25(1) or the Ordinance on the grant of approval for the appointment of members of the management board and for the acquisition of a qualified and control holding and on criteria for the suitability assessment of members of the supervisory board, key function holders and senior management (NN 36/21, 48/22 and 142/22), on 12 June 2023 the Annual General Meeting of the Zagreb Stock Exchange, Inc. of Ivana Lučića 2a/22, Zagreb, on the proposal of the Management Board and Supervisory Board of the Zagreb Stock Exchange, Inc., adopted the following:

### **Policy**

#### **for the selection and suitability assessment of members of the Zagreb Stock Exchange, Inc. Supervisory Board**

#### **Subject matter of the Policy**

#### **Article 1**

This Policy for the suitability assessment of Supervisory Board members defines the following:

1. procedure for the Nomination Committee establishment;
2. tasks of the Nomination Committee;
3. criteria to be met by candidates for Supervisory Board members and by the Supervisory Board as a whole;
4. procedure for the suitability assessment of Supervisory Board members, specifically: the time limits for the provision of documents and information to be provided by candidates for Supervisory Board members of the Exchange and by Supervisory Board members to the Nomination Committee, the time limits and the method of conducting the procedure, the method of response provision by candidates or members undergoing assessment and the report on the result of suitability assessment;
5. information and documents to be provided to the Nomination Committee by nominees for members and members of the Supervisory Board for the purpose of conducting suitability assessments;
6. situations and circumstances giving rise to an extraordinary suitability assessment and
7. the form and method of keeping documents on completed procedures for suitability assessment of Supervisory Board members.

## Definitions

### Article 2

For the purposes of this Policy, the following definitions shall apply:

Exchange – the Zagreb Stock Exchange Inc., Ivana Lučića 2a/22, Zagreb, OIB: 84368186611;

HANFA – the Croatian Financial Services Supervisory Agency;

Nominee – a person undergoing the assessment of suitability for Supervisory Board member;

Committee – the Nomination Committee;

Ordinance – Ordinance on the grant of approval for the appointment of members of the management board and for the acquisition of a qualified and control holding and on criteria for the suitability assessment of members of the supervisory board, key function holders and senior management (NN No 36/21, 48/22 and 142/22);

ESMA Guidelines – Guidelines on the management body of market operators and data reporting services providers (ESMA 70-154-271 HR) of the European Securities and Markets Authority;

CMA – the Capital Market Act (NN Nos 65/18, 17/20, 83/21 and 151/22);

CA – the Companies Act (NN Nos 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15, 40/19, 34/22, 114/22 and 18/23).

## Nomination Committee

### Article 3


The Committee shall be established as a standing committee of the Supervisory Board whose tasks are defined in further detail in Article 5 of this Policy.

The Committee shall consist of three (3) members

to be appointed by the Supervisory Board from among its ranks at a meeting of the Supervisory Board.

Committee members may have no conflict of interest with respect to other members of the Supervisory Board, members of the Exchange Management Board or employees in critical functions of the Exchange.

The Committee will elect a Committee chairperson from among its ranks.

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The Committee shall adopt the Rules of Procedure to define the method of work and decision-making of the Committee.

### **Mandate of Nomination Committee members**

#### **Clause 4**

The mandate of Committee members shall commence on the day of the adoption by the Supervisory Board of a decision appointing them to the Committee and shall last until the end of their term in office as Supervisory Board members or until their Supervisory Board mandate is terminated by resignation.

A Committee member may be reappointed, provided that they are re-elected or reappointed to the Exchange Supervisory Board.

If the membership of the Supervisory Board of a Committee member ends by resignation, the Supervisory Board shall promptly appoint a new Committee member instead.

In the event referred to in the preceding paragraph of this article, newly appointed Committee members shall discharge their duties as Committee members until the end of their mandate as Supervisory Board members or until their Supervisory Board mandate is terminated by dismissal or resignation.

### **Tasks of the Committee**

#### **Clause 5**

The Committee shall perform the following tasks:

- (i) identify and recommend Nominees to fill positions on the Exchange Management Board and Supervisory Board and perform an initial assessment of suitability of the Nominees for members of the Exchange Management and Supervisory Board;
- (ii) regularly, but not less than once a year, assessing the structure, size, composition and performance of day-to-day tasks within the competence of the Exchange Management Board and Supervisory Board, and consequently issuing recommendations to the Exchange Management Board and Supervisory Board with respect to any changes (periodic suitability assessment);
- (iii) regularly, but not less than once a year, assessing the knowledge, skills and experience of individual members of the Management and Supervisory Board as a whole and reporting on this to the Exchange Management Board and Supervisory Board (regular suitability assessment);

- (iv) performing extraordinary assessments of suitability of compliance with the criteria for members of the Exchange Management and Supervisory Board and
- (v) periodically review the policy of the Supervisory Board for selection and appointment of senior management and make recommendations to the Management Board and Supervisory Board.

In the performance of its tasks defined in point (i) of paragraph 1 of this article, the Committee shall evaluate the balance of knowledge, skills, diversity and experience of members of the Exchange Management Board and Supervisory Board and Nominees to discharge those duties.

Where the Committee identifies and recommends the Nominees to fill positions on the Exchange Management and/or Supervisory Board, it will do so taking into account the duties of Management and/or Supervisory Board members, the competences, experience, knowledge and skills of each individual Nominee in the Committee assessment, and their required time commitment to such mandate.

The Committee shall decide on the target for representation of the underrepresented gender in the Exchange Management Board and Supervisory Board and prepare a policy on how to increase the number of representatives of the underrepresented gender in the Exchange Management Board and Supervisory Board.

### **Criteria for Members of the Exchange Supervisory Board**

#### **Article 6**

(1) A member of the Exchange Supervisory Board may be a person who complies with the following criteria:

- (i) who is of good repute;
- (ii) who possess appropriate expertise, competences and experience necessary to discharge duties within the scope of their responsibility;
- (iii) who may commit sufficient time to discharging duties within the scope of their responsibility;
- (iv) who meet the requirements defined by the provisions of the CMA and the Ordinance; and
- (v) who may be supervisory board members under the provisions of Article 255 of the CA with regard to conflict of interest, honesty and integrity, and time commitment to discharging duties within the area of their responsibility.

Each member of the Exchange Supervisory Board shall act with honesty, integrity and independence of mind to effectively assess and challenge the decisions of other members of the Exchange Supervisory Board or of its Management Board where necessary and to effectively oversee and monitor decision-making.

Members of the Exchange Supervisory Board shall collectively possess expertise, competences and experience necessary to independently and autonomously oversee Exchange affairs, in particular to understand the operations and key risks of trading venues managed by the Exchange.

### **Good Repute of Members of the Exchange Supervisory Board**

#### **Article 7**

A Member of the Supervisory Board is deemed to be of good repute if there are no circumstances which raise concerns regarding their good repute and if they have not been convicted by a final judgment of a criminal offence referred to in Article 16 of the Ordinance.

A Supervisory Board is deemed no to be of good repute if:

- (i) due to non-compliance with regulations they have been stripped of or refused appropriate approval or authorisation, in accordance with the regulations within the competence of HANFA or other competent authority;
- (ii) they are subject to an investigation or ongoing criminal proceedings against them for criminal offences referred to in Article 16(1) of the Ordinance;
- (iii) measures have been pronounced against them or they are subject to ongoing proceedings by competent courts or authorities for irregularities or non-compliance with any legislation regulating the banking, financial or insurance activity or that regulating the provision of financial services, investment and pension funds, in particular legislation aimed at preventing money laundering and terrorism financing, corruption, capital market abuse or manipulation, misuse of inside information, usury or any other relevant legislation regulating the operation of financial institutions;
- (iv) they have been convicted by a final judgment of a minor offence constituting gross continuous or frequent infringement of regulations within the competence of HANFA, the Croatian National Bank or other supervisory authorities of the Republic of Croatia, Member States or third countries;
- (v) they manage or managed at the time a company convicted by a final judgment of a criminal offence referred to in Article 16 of the Ordinance or which had measures pronounced against it or is subject to ongoing proceedings referred to in Article 16(2)(3) of the Ordinance;

- (vi) there are records in the central database of administrative sanctions maintained by European supervisory authorities, including all permanent prohibitions imposed for infringement of the requirements relating to operating licences or requests for approval for the acquisition of a qualified holding, and records of remedies submitted in relation to such measures and of the outcomes of such remedies;
- (vii) they have no proven track record of past professional work or personal integrity;
- (viii) their business results jeopardise their good repute;
- (ix) their financial stability jeopardises their good repute; and
- (x) there are other reasons to suspect that the Nominee or member of the Supervisory Board is not of good repute.

A template of Supervisory Board member declaration of no criminal/minor offence committed and no ongoing criminal or minor offence proceedings against them and no circumstances referred to in paragraph 2 of this article is provided in Annex 1 to this Policy.

## **Expertise, Competence and Experience of Supervisory Board Members**

### **Article 8**

Members of the Supervisory Board shall be deemed to possess adequate expertise if they have completed one of the following education levels:

- a) undergraduate and graduate university study programme; or
- b) integrated undergraduate and graduate university study programme; or
- c) professional study programme and specialist graduate professional study programme, acquiring a minimum of 300 ECTS points upon completion; or
- d) undergraduate university study programme, acquiring higher education qualification upon completion; or
- e) undergraduate professional study programme of at least four years, acquiring higher education qualification in the following relevant fields:
  1. economics and similar fields (e.g. finance, management, accounting, auditing);
  2. law and similar fields (e.g. administration);
  3. mathematics, physics, information science, information technology, electrical engineering or similar fields.

Relevant experience of Supervisory Board members implies, in particular, experience in the governance, managing or overseeing the management of company affairs for at least three years or

equivalent experience acquired at another company or legal persons of comparable size and scope of business as the Exchange or experience acquired on the tasks providing the persons with the experience required for performing the function of member of a company's supervisory board, tasks at the authorities responsibly for supervision of financial institutions, managerial positions with a high degree of autonomy at legal persons with public authority or state administration authorities or the tasks of a procurator or adviser to the management board, or a legal persons engaged in an activity comparable to that of the Exchange and experience acquired through academic work.


## **Independence of Mind of Supervisory Board Members**

### **Article 9**

A Supervisory Board member shall be deemed to act independently if:

1. they are not majority shareholders of the Exchange or its affiliate or does not represent a majority shareholder;
2. they have not been a member of the management board of the Exchange or another institution or company included in the scope of accounting or prudential consolidation;
3. they are not employees of the majority shareholder of the Exchange or associated to it in some other manner;
4. they are not employees of an institution or company included in the scope of accounting or prudential consolidation;
5. they have not in the past three year been members of the senior management of the Exchange or another company included in the scope of accounting or prudential consolidation;
6. in addition to remuneration for duties as supervisory board member, the do not receive and have not received significant remuneration from the credit institution or companies included in the scope of accounting or prudential consolidation;
7. they have not in the past three year been members or partners of the audit company which provides or has provided auditing services or the company which provides consultancy services to the Exchange or a company included in the scope of accounting or prudential consolidation or employees of such companies who are or have been materially related to the services provided;
8. they are not members of the management board of another company in which a member of the Exchange Management Board is a member of the supervisory board;
9. they are not persons associated with a member of the Exchange Management Board or another company included in the scope of accounting or prudential consolidation;



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10. they have not members of the Exchange Management or Supervisory Board for more than 12 consecutive years and

11. they are not holders of majority interest or majority shareholders of a company or entity which has been a major supplier or a major client of the Exchange or another company included in the scope of accounting or prudential consolidation or if they have not had another material business relationship with the Exchange.


### **Commitment to the Mandate**

#### **Article 10**

In assessing whether the Nominee or member of the Exchange Supervisory Board may commit sufficient time to the mandate of member of the Supervisory Board, the Committee shall take into account the following:

- (i) number of executive and non-executive functions or deputy functions discharged simultaneously by the Nominee or member of the Supervisory Board;
- (ii) type, size, scale and complexity of the activities performed by the company in which the Nominee or member of the Exchange Supervisory Board has an executive or a non-executive function or deputy function;
- (iii) geographical location of the company in which the Nominee or member of the Exchange Supervisory Board has a function and the travel time required to perform the function;
- (iv) number of Supervisory Board meetings held approximately throughout the year;
- (v) Supervisory Board meetings to be held, where necessary, with competent authorities and stakeholders;
- (vi) position, responsibilities and areas of competence covered by the Nominee or member of the Exchange Supervisory Board;
- (vii) other professional and other functions performed and relevant activities engaged in;
- (viii) number of functions in associations and other not primarily for-profit organisations or entities;
- (ix) the time that needs to be devoted to the initial induction and continuous training.

The assessment referred to in paragraph 1 of this article does not take into account functions of the management or supervisory board member in not primarily for-profit organisations or entities, such as associations, non-profit organisations, companies founded for the sole purpose of managing personal assets of management or supervisory board members or persons associated with them, provided that the management or supervisory board member has no duty of running them on a daily basis, and other similar organisations or entities.

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## **Conflict of Interest**

### **Article 11**

Conflict of interest issues of the Nominees or members of the Exchange Supervisory Board shall be subject *mutatis mutandis* to the applicable internal conflict of interest acts of the Exchange.

Without prejudice to the limitations defined in Article 255 of the CA, the Nominees or members of the Exchange Supervisory Board may simultaneously be members of the management board, supervisory board or executive or non-executive directors of another legal entity when permitted by individual circumstances and nature, scale and complexity of the activities performed as members of the Exchange Supervisory Board.

## **Assessment of Suitability**

### **Article 12**

The assessment of suitability and the proposal for a decision on suitability of the Nominee or member of the Supervisory Board shall be prepared by the Exchange Management Board.


The proposal for a decision shall be provided by the Exchange Management Board to the Nomination Committee, along with the suitability assessment.

The suitability assessment of the Nominee or member of the Exchange Supervisory Board shall be performed by the Committee.

The Committee shall perform an initial suitability assessment of the Nominees for members of the Exchange Supervisory Board, the periodic of suitability of members of the Exchange Supervisory Board, both individually and collectively of the Supervisory Board, and an extraordinary suitability assessment.

The Committee shall evaluate the balance of knowledge, skills, diversity and experience of the Nominees and members of the Exchange Supervisory Board. The committee shall take account of the target for the representation of the underrepresented gender in the Exchange Supervisory Board and prepare a policy to increase the number of representatives of the underrepresented gender.

Documents and information to be provided to the Committee by the Nominees and members of the Exchange Supervisory Board for the purpose of suitability assessment shall be provided in writing (by post or e-mail) to the address specified by the Committee chairperson.

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The Nominee or member of the Exchange Supervisory Board shall provide to the Committee chairperson any documents and information set forth in this Policy or requested by the Committee in the time limits specified by the Committee.

Support to the Committee in performing the suitability assessment shall be provided by the Exchange's Compliance.

Members of the Supervisory Board shall notify the Exchange without delay of any event or new circumstances that materially affect or might affect their suitability for discharging duties of Supervisory Board members.

### **Initial Suitability Assessment**

#### **Clause 13**

Before submitting the proposal for a decision on the election of members to the Supervisory Board to the Annual General Meeting (AGM) and on appointment of new members to the Supervisory Board, the Committee shall perform an initial suitability assessment of the Supervisory Board.

The Committee shall flag potential Nominees and, based on the completed suitability assessment, recommend a Nominee or Nominees to the Supervisory Board.

The Nominee shall provide the Committee chairperson at the addresses specified in Article 12(6) of this Policy with the following information, along with supporting documents to prove their suitability as member of the Exchange Supervisory Board:

- (i) Curriculum Vitae, including details on the education and professional experience of the Nominee;
- (ii) declaration that the Nominee for member of the Exchange Supervisory Board has committed no criminal or minor offence and that there are no ongoing criminal or minor offence proceedings against them (Annex 1 to this Policy);
- (iii) certificates or data on criminal and minor offence non-conviction of the Nominee, specifically (for Croatian citizens, a certificate issued by a municipal court showing whether the Nominee is subject to criminal proceedings) not older than three months;
- (iv) declaration on independence of the Nominee of supervisory Board member (Article 9 of this Policy);
- (v) filled-out template for the assessment of the time commitment to the mandate of the Supervisory Board member (Annex 2) and a declaration of sufficient time commitment to the mandate of Supervisory Board member (Annex 3);

- (vi) declaration on the financial standing of the Nominee, including information on whether their assets may give rise to a default in on financial liabilities in the future, whether the Supervisory Board member is on a list of irregular debtors (e.g. the credit debtor register HROK, a Ministry of Finance list of tax debtors, blacklist, credit register, etc.) and whether consumer bankruptcy proceedings have been initiated or might be ongoing with regard to the assets of the Nominee;
- (vii) information on any business relations of the Nominee and persons associated with them and the Exchange, members of Management Board, Supervisory Board, senior management of the Exchange, as well as companies within the same group and holders of qualified holdings in the Exchange;
- (viii) any other information and documents believed by the Nominee to be capable of affecting the assessment of compliance with criteria for members of the Exchange Supervisory Board;
- (ix) other documents and information, upon request and within the time limit specified by the Committee.

The Committee is entitled, as part of the assessment, to invite the Nominee for the Exchange Supervisory Board member to an interview with not less than a 3 (three) days' notice.

If the Nominee fails to submit requisite documents or information to the Committee chairperson by the given deadline or heed the Committee invitation to the oral interview, the Committee will conduct an assessment of compliance with criteria for members of the Exchange Supervisory Board based on the information and documents available to it.

#### **Article 14**

On completing the initial suitability assessment, the Committee shall prepare a reasoned assessment of the Nominee's suitability to be provided to the Chairman of the Exchange Supervisory Board without delay.

## Periodic Suitability Assessments

### Article 15

At least once a year, within 30 (thirty) days of the end of each year of the term for which the Supervisory Board has been elected, the Committee shall perform a periodic suitability assessment of the Exchange Supervisory Board, evaluating its size, composition, structure and performance and may subsequently issue recommendations to the Supervisory Board in view of any changes.

As part of periodic suitability assessments, the Committee shall perform an individual suitability assessment of members of the Exchange Supervisory Board and a collective suitability assessment of the Supervisory Board.

As part of periodic suitability assessments of the Supervisory Board, the Committee shall evaluate knowledge, skills and experience of the Supervisory Board as a whole and report on it to the Exchange Supervisory Board.

The Supervisory Board member shall also provide the Committee chairperson with:

- documents on further training, education and/or professional development over the past year of assessment
- and a declaration to the effect that any data which formed the basis for the initial assessment referred to in Article 12 of this Policy remain unchanged.

In the event of a change in data referred to in Article 13 of this Policy, the Supervisory Board member shall inform the Committee of the change in question and provide supporting documents, if applicable.


### Article 16

If the Committee finds in the course of an extraordinary assessment that a Supervisory Board member meets the criteria for members of the Exchange Supervisory Board, it will prepare a reasoned assessment to be submitted without delay to the Chairman of the Supervisory Board for inclusion in the agenda of the meeting.

### Article 17

If the Committee finds in the course of a regular assessment that a Supervisory Board member no longer meets the criteria for members of the Exchange Supervisory Board, it will prepare a reasoned assessment of compliance with criteria for the respective member of the Exchange Supervisory Board.

In the case referred to in paragraph 1 of this article, should the Committee find any minor shortcomings which may be eliminated within a short period of time, it will prepare a reasoned assessment with a proposal for corrective action (for example, measures to mitigate or eliminate

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conflicts of interest, professional development, further training, etc.) to be undertaken for the purpose of re-establishing compliance with criteria for the respective member of the Supervisory Board. In that case, the Committee will provide a reasoned suitability assessment and propose measures to the Supervisory Board for decision-making.

Should the Committee find in the assessment that the deficiencies are major and that they may not be mitigated within a short period of time, it will provide the Supervisory Board with a reasoned suitability assessment, along with a proposal to initiate a procedure for the replacement of the Supervisory Board in respect of whom such deficiencies have been identified. Based on the suitability assessment and Committee proposal, the Supervisory Board shall decide on the grounds of such assessment and taking further steps, in accordance with the CMA and the CA.

In the cases referred to in paragraphs 1 and 3 of this article, the Exchange will notify HANFA thereof without delay, but not later than 8 (eight) days counting from the day of completion of the assessment procedure.

### **Extraordinary Suitability Assessment**


#### **Article 18**

In the event of circumstances which raise concerns regarding the individual or collective suitability of the Exchange Supervisory Board, the Committee will undertake an extraordinary assessment of suitability.

Any member of the Supervisory Board affected by the circumstances which raise concerns regarding the individual or collective suitability of the Exchange Supervisory Board or other member of the Supervisory Board who is aware of such circumstances shall notify the Committee thereof without delay. In case of learning of such circumstances, the member of the Exchange Management Board shall notify the Supervisory Board in writing (by post or e-mail to the address specified by the Chairman of the Supervisory Board), and the Supervisory Board shall notify the Committee.

In undertaking an extraordinary suitability assessment, the Committee may perform only a partial assessment of the impact of changed circumstance on compliance with criteria for members of the Exchange Supervisory Board.

In addition to the information and documents referred to in paragraph 2 of this article, the Committee may ask the Supervisory Board member affected by the circumstances referred to in paragraph 1 of this article to also provide other information and documents it may consider necessary for the assessment and invite the member in question to an oral interview within the time limit to be specified by the Committee.

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If the member of the Supervisory Board affected by the circumstances referred to in paragraph 1 of this article fails to provide the requested documents and information to the Committee Chairperson at the addresses referred to in Article 12(6) of this Policy by the specified deadline or to respond to the Committee's invitation to the interview, the Committee will perform the assessment based on the documents and information available to it.

#### **Article 19**


If the Committee finds in the course of an extraordinary assessment that a Supervisory Board member meets the criteria for members of the Exchange Supervisory Board, it will prepare a reasoned assessment to be submitted without delay to the Chairman of the Supervisory Board for inclusion in the agenda of the meeting.

If the Committee finds in the course of an extraordinary assessment that a Supervisory Board member no longer meets the criteria for members of the Exchange Supervisory Board, it will prepare a reasoned assessment of (non-)compliance with criteria for the respective member of the Exchange Supervisory Board.

In the case referred to in paragraph 2 of this article, should the Committee find any minor shortcomings which may be eliminated within a short period of time, it will prepare a reasoned assessment with a proposal for measures (for example, measures to mitigate or eliminate conflicts of interest, professional development, further training, etc.) to be undertaken for the purpose of re-establishing compliance with criteria for members of the Supervisory Board. In that case, the Committee will provide a reasoned suitability assessment and propose measures to the Supervisory Board for decision-making.

Should the Committee find in the assessment that the deficiencies are major and that they may not be mitigated within a short period of time, it will provide the Supervisory Board with a reasoned suitability assessment, along with a proposal to initiate a procedure for the replacement of the Supervisory Board in respect of whom such deficiencies have been identified. Based on the suitability assessment and Committee proposal, the Supervisory Board shall decide on the grounds of such assessment and taking further steps, in accordance with the CMA and the CA.

In the cases referred to in paragraphs 2, 3 and 4 of this article, the Exchange will notify HANFA thereof without delay, but not later than 8 (eight) days counting from the day of completion of the assessment procedure.

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## Collective Suitability

### Article 20

In addition to assessing the individual suitability of the Nominee or member of the Exchange Supervisory Board, the Committee also examines whether the Exchange Supervisory Board collectively possesses expertise, competences and experience necessary to independently and autonomously oversee Exchange affairs, in particular to understand the operations and key risks of the Exchange.

The assessment of collective suitability shall be made by the Committee in the cases where a Nominee for the Exchange Supervisory Board is proposed for the first time (initial suitability assessment), on repeat proposal of the same person for member of the Exchange Supervisory Board and in the event of major changes in the Exchange business model, risk appetite or risk strategy of the Exchange.

A collective suitability assessment shall take into account whether the Supervisory Board collectively as a body understands Exchange activities, including the main risks. This includes the assessment of whether the Supervisory Board is collectively able to effectively challenge and monitor decisions made by the Exchange Management Board.

## Induction and Continuous Training


### Article 21

The Exchange shall enable newly selected members of the Supervisory Board to receive training organised by the ZSE Academy for the purpose of induction to be completed within six months from selection for the position of Exchange Supervisory Board members.

The Exchange shall provide for members of the Exchange Supervisory Board to attend training courses organised by the ZSE Academy for the purpose of continuous training.

The Exchange shall keep a record of the training courses in question.



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## **Form and Method of Keeping Documents on Completed Suitability Assessment Procedures**

### **Article 22**

All the procedures for the assessment of suitability shall be properly documented.

Reasoned suitability assessments, along with all the documents on completed procedures shall be provided by the Nomination Committee chairperson to the Chairman of the Exchange Supervisory Board for submission to the Exchange for storage and keeping.

The Exchange is required to keep the records of the completed procedures for suitability assessment permanently.

The Exchange is authorised to provide documents on the completed suitability assessments to HANFA at its request.

## **Protection of personal data of Candidates and members of the Exchange Supervisory Board**

### **Article 23**


The Committee is authorised to process personal data of any Nominees and members of the Exchange Supervisory Board, provided in accordance with this Policy, solely for the purpose of performing and documenting the suitability assessment of the Nominees and members of the Exchange Supervisory Board.

Members of the Committee are not authorised to disclose personal data in question to any third legal or natural person or used them for any other purposes except those defined in this article.

Personal data shall be stored in the original in a file accessible to the employees of Legal and General Affairs.

Committee members shall sign a Statement on maintaining the confidentiality of personal data of the Candidates / other members of the Supervisory Board.

Personal data concerned shall be kept permanently, in accordance with the Special list of archives and current records of the Zagreb Stock Exchange, Inc.

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## Final Provisions

### Article 24

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

Annual General Meeting of the Exchange

Chairman, xxx

**Annex 1**

DECLARATION THAT THE NOMINEE FOR MEMBER OF THE EXCHANGE SUPERVISORY BOARD HAS COMMITTED NO CRIMINAL OR MINOR OFFENCE AND THAT THERE ARE NO ONGOING CRIMINAL OR MINOR OFFENCE PROCEEDINGS AGAINST THEM

(Data provided in the Declaration constitute a professional secret.)

Name and surname: \_\_\_\_\_

Date and place of birth: \_\_\_\_\_


Nationality: \_\_\_\_\_

ID No (OIB): \_\_\_\_\_

Permanent residence: \_\_\_\_\_

1. Have you been convicted by a final judgment of one or more criminal offences referred to in Article 16 of the Ordinance?	YES/NO
2. Have you been convicted by a final judgment of any other criminal offence?	YES/NO
3. Have you been convicted by a final judgment of any minor offences referred to in Article 16(2)(4) of the Ordinance?	YES/NO
4. Are you subject to an investigation or ongoing criminal proceedings?	YES/NO
5. Are you subject to ongoing minor offence proceedings?	YES/NO
6. Are you subject to a security or some other measure or minor offence sanction pronounced against you, or to proceedings by competent supervisory authorities or courts of law for irregularities or non-compliance with any regulations governing banking, financial or insurance activity or regulating the capital market, securities or payment transactions, legislation regulating the provision of financial services, consumer protection or any other relevant regulations?	YES/NO
7. Are you subject to any other ongoing proceedings which might negatively affect your financial stability?	YES/NO

If the answer to any of the foregoing questions is affirmative, please specify details including the reasons for investigation, criminal proceedings, (non-)final judgment, criminal offence and criminal sanctions, namely: name of the court of law, number and date of issuing and date of finality of the judgment, type, amount or duration of criminal sanctions and other measures, data on the substitution of a prison sentence community service at large, acquittal decision, data on sentence served, expired under the statute of limitations or pardoned and on other measures, data on amended convictions,

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specifically; rectification of the judgment, decision on extraordinary remedies granted, decision to substitute an unpaid fine with a prison sentence, parole, amnesty or pardon and on the revocation of a suspended sentence or parole:

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The declaration must be signed in one's own hand or by qualified electronic signature.

Place and date:

Signature:

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**Annex 2.**

**FORM FOR THE ASSESSMENT OF THE CRITERIA OF COMMITMENT TO FULFILLING THE DUTIES OF A  
MEMBER OF THE SUPERVISORY BOARD**

Personal data on the candidate or member of the Supervisory Board:

Name and surname: \_\_\_\_\_

ID No (OIB): \_\_\_\_\_

Permanent residence: \_\_\_\_\_

	ZAGREB STOCK EXCHANGE INC. <sup>1</sup>	
<b>ZSE % share in the share capital of the company</b>		
<b>Directorships under Article 45(2)(a) of MiFID II Directive (within the same group or companies in which the market operator owns a qualifying holding)</b>	YES	
<b>1. Number of executive and non-executive or deputy functions performed simultaneously, including the time required to perform the function</b>	Member of the Supervisory Board – non-executive function –	
<b>2. Nature, size, scope and complexity of the activities performed by the company in which the Nominee has an executive or a non-executive function or deputy function</b>	2021 income: EUR 1,920,100 Number of employees: 24 Registered business activities: •management of the regulated market	

<sup>1</sup> Data provided for illustration purposes only. Each Nominee or member of the Supervisory Board shall provide details for each executive and non-executive function performed at another company stating the required data. Data for each company in which the member performs an executive or a non-executive function is to be entered in a separate column.

	<ul style="list-style-type: none"> <li>•collection, processing and dissemination of trading data</li> <li>•multilateral trading facility (MTF) management</li> <li>•services related to the organisation and implementation of education for capital market participants</li> <li>•development, maintenance and disposal of software for the regulated market management, collection, processing and dissemination of trading data, organisation and implementation of education for capital market participants</li> <li>•publishing activity</li> <li>•Legal Entity Identifier (LEI) assignment and administration</li> <li>•publication of trade reports on behalf of investment firms</li> </ul>	
<b>3. Geographical location of the company in which the Nominee has a function and the travel time required to perform the function</b>	Zagreb, Croatia	
<b>4. Number of management or supervisory board meetings held approximately throughout the year</b>	Number of Supervisory Board meetings a year on average	
<b>5. Management or supervisory board meetings to be held, where necessary, with competent authorities and stakeholders</b>	Meetings with competent authorities and stakeholders are held where and if necessary;	
<b>6. Position, responsibilities and areas of competence covered by the Nominee</b>	As a member of the Supervisory Board, along with other Supervisory Board members,	

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assessment of members of the Zagreb Stock  
Exchange, Inc. Supervisory Board**

version

3.0


	responsible for oversight of the overall Exchange operation. .	
<b>7. Other professional, political and other functions or relevant activities</b>	No other professional, political and other functions or relevant activities.	
<b>8. Number of functions in other not primarily for-profit organizations or entities</b>	Member of the ABCD foundation.	
<b>9. Time that needs to be devoted to the induction and continuous training</b>	Receives continuous training at annual level, in accordance with the Policy for the selection and suitability assessment of members of the Zagreb Stock Exchange, Inc. Supervisory Board	

The declaration must be signed in one's own hand or by qualified electronic signature.

Place and date:

\_\_\_\_\_

Signature:

 <b>ZAGREBAČKA BURZA</b> <i>Zagreb Stock Exchange</i>	<b>Policy for the selection and suitability assessment of members of the Zagreb Stock Exchange, Inc. Supervisory Board</b>	version
		3.0

**Annex 3**

**NOMINEE DECLARATION  
OF SUFFICIENT TIME COMMITMENT TO THE MANDATE OF MEMBER OF THE EXCHANGE  
SUPERVISORY BOARD<sup>2</sup>**

I, \_\_\_\_\_, of \_\_\_\_\_, ID No (OIB): \_\_\_\_\_,  
 (name and surname) (permanent residence, address)

do hereby confirm that I can devote sufficient time (state the amount of time) to performing the function of member of the Exchange Supervisory Board, including the possibility to devote additional time when the Exchange is undergoing a period of particularly increased activity.

The declaration must be signed in one's own hand or by qualified electronic signature.

Place and date:

\_\_\_\_\_

Signature:

<sup>2</sup> Declaration under paragraphs 11 and 12 of section 5.1 of ESMA Guidelines