

REPORT OF FACTUAL FINDINGS

To the representatives of Zagreb Stock Exchange, Inc (hereinafter: 'the Company'):

We have performed the procedures agreed with you and enumerated below with respect to the examination of Remuneration Report for 2019, set forth in Appendix 1 and prepared by the Management and Supervisory Board of the Zagreb Stock Exchange, Inc. on 25 May 2020 (hereinafter: 'the Remuneration Report'). Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to examine the Remuneration Report in accordance with the requirements of Article 272r of the Companies Act (Official Gazette No. 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 and 40/19) and are summarized as follows:

- 1 We compared the names of persons listed in the court register against the names disclosed in the Remuneration Report as current and former Members of the Management Board and Supervisory Board or Executive Officers and Members of the Management Board during the financial year ended 31 December 2019.
- 2 We compared monthly fixed element of Gross 1 remuneration for the President of the Management Board and the Member of the Management Board, as defined in their employment agreements, against Gross 1 remuneration included in the related monthly IP1 forms, which were used in the calculation of total remuneration as disclosed in the Remuneration Report.
- 3 We compared variable element of Gross 1 remuneration of the President of the Management Board and the Member of the Management Board, as defined in their employment agreements, against Gross 1 remuneration included in the related monthly IP1 forms, which were used in the calculation of total remuneration as disclosed in the Remuneration Report.
- 4 We compared accounted net fixed and variable remuneration for the President of the Management Board and the Member of the Management Board against the information on paid out net amounts, included in the obtained bank statements.
- 5 We calculated Gross 2 fixed and variable remuneration by applying applicable rates of salary contributions to related Gross 1 remuneration for the President of the Management Board and the Member of the Management Board and compared this calculated amount against the accounted and disclosed Gross II remuneration in the Remuneration Report.
- 6 We compared the amounts of voluntary health insurance for the President of the Management Board and the Member of the Management Board, as defined in their voluntary health insurance policies, against the amounts disclosed in the Remuneration Report.

This version of our Report of Factual Findings is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information and views, the original language version of the report takes precedence over this translation.

The company was registered at Zagreb Commercial Court: MBS 030022053; paid-in initial capital: Kn 44,900.00; Directors: Marina Tonžetić and Dražen Nimčević; Bank: Zagrebačka banka d.d., Trg bana Josipa Jelačića 10, 10 000 Zagreb, bank account no. 2360000-1101896313; SWIFT Code: ZABAHR2X IBAN: HR2723600001101896313; Privredna banka Zagreb d.d., Radnička cesta 50, 10 000 Zagreb, bank account no. 2340009-1110098294; SWIFT Code: PBZGHR2X IBAN: HR3823400091110098294; Raiffeisenbank Austria d.d., Petrinjska 59, 10 000 Zagreb, bank account no. 2484008-1100240905; SWIFT Code: RZBHHR2X IBAN: HR1024840081100240905.

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REPORT OF FACTUAL FINDINGS (CONTINUED)

- 7 We compared the amounts of voluntary health insurance for the President of the Management Board and the Member of the Management Board, as defined in their voluntary health insurance policies, against the maximum amounts of voluntary health insurance, as defined in their employment contracts.
- 8 We compared the amount of manager liability insurance for the President of the Management Board and a Member of the Management Board, defined in their insurance policies, against the amount disclosed in the Remuneration Report.
- 9 We compared benefits in kind (right to a company car, mobile phone and laptop) of the President of the Management Board and a Member of the Management Board against the related information defined in their employment agreements.
- 10 We compared the right to acquire up to 1% of the shares of the Company, as part of the option plan at a pre-defined fixed price of HRK 14.10 per share, granted to the President of the Management Board and disclosed in the Remuneration Report, against the information included within related employment agreement.
- 11 We compared total annual income, profit and personnel expenses (Gross 2 expenditures) in the Remuneration Report against the relevant financial statements of the Company.
- 12 We interviewed the President of the Management Board and the Member of the Management Board to establish if the Company requested return of the variable elements of remuneration. If this was requested, we obtained supporting documents and compared it against the information disclosed in the Remuneration Report.
- 13 We interviewed the President of the Management Board and the Member of the Management Board to establish if they were paid (or promised to be paid) by third party for work performed as a President of the Management Board and/or the Member of the Management Board. If we determined they were paid (or promised to be paid) in that way, we obtained supporting documentation and compared it against the information disclosed in the Remuneration Report.
- 14 We interviewed the President of the Management Board and the Member of the Management Board to establish if they were paid (or promised to be paid) by third party for work performed as a President of the Supervisory Board and/or a Member of the Supervisory Board. If we determined they were paid (or promised to be paid) in that way, we obtained supporting documentation and compared it against the information disclosed in the Remuneration Report.
- 15 We interviewed the President of the Management Board and the Member of the Management Board to establish if the Company was liable to pay them remuneration in case of premature termination of their roles in the Company. If the Company was liable to do so, we obtained supporting documentation and compared it against the information disclosed in the Remuneration Report.
- 16 We interviewed the the President of the Management Board and a Member of the Management Board to establish if the Company was liable to pay them remuneration in case of regular termination of their roles in the Company. If the Company was liable to do so, we obtained supporting documentation and compared it against the information disclosed in the Remuneration Report.
- 17 We interviewed the President of the Management Board and a Member of the Management Board if the Company was liable to pay remuneration to the former President of the Management Board and/or Member of the Management Board, whose roles were terminated in previous business year. If the Company was liable to do so, we obtained supporting documentation and compared it against the information disclosed in the Remuneration Report.

REPORT OF FACTUAL FINDINGS (CONTINUED)

We report our findings below:

- a) With respect to item 1, we found no discrepancies.
- b) With respect to item 2, we found no discrepancies.
- c) With respect to item 3, we found no discrepancies.
- d) With respect to item 4, we found no discrepancies.
- e) With respect to item 5, we found no discrepancies.
- f) With respect to item 6, we found no discrepancies.
- g) With respect to item 7, we found that the amounts of voluntary health insurance for the President of the Management Board and the Member of the Management Board, as defined in their voluntary health insurance policies, exceeds the maximum amounts of voluntary health insurance, as defined in their employment contracts for HRK 249 and HRK 404 respectively.
- h) With respect to item 8, we found no discrepancies.
- i) With respect to item 9, we found no discrepancies.
- j) With respect to item 10, we found no discrepancies.
- k) With respect to item 11, we found no discrepancies.
- l) With respect to item 12, during the interview with the President of the Management Board and the Member of the Management Board, we were informed that the Company did not request the return of variable element of remuneration.
- m) With respect to item 13, during the interview with the President of the Management Board and the Member of the Management Board, we were informed that the President of the Management Board and the Member of the Management Board were not paid (or promised to be paid) for work performed as a President of the Management Board and/or the Member of the Management Board.
- n) With respect to item 14, we found no discrepancies against disclosed in item 5 of the Remuneration Report.
- o) With respect to item 15, we found no discrepancies against disclosed in item 6 of the Remuneration Report.
- p) With respect to item 16, we found no discrepancies against disclosed in item 7 of the Remuneration Report.
- q) With respect to item 17, during the interview with the President of the Management Board and the Member of the Management Board, we were informed that there was no termination of membership of the Company's Management Board in the course of 2019.

REPORT OF FACTUAL FINDINGS (CONTINUED)

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Remuneration Report.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the subject matter specified above and does not extend to any financial statements of Zagreb Stock Exchange, Inc., taken as a whole.

Marina Tonžetić
Director

26 May 2020
Deloitte d.o.o.
Radnička cesta 80
10 000 Zagreb

For signatures, please refer to the original Croatian auditor's report, which prevails.

Domagoj Vuković
Certified auditor



**APPENDIX 1 Remuneration Report of the Management and
Supervisory Board of the Zagreb Stock Exchange, Inc. for 2019**



Pursuant to Article 272r of the Companies Act (Official Gazette 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 and 40/19), on 25 May 2020, the Management and the Supervisory Board of the Zagreb Stock Exchange prepared the following

Remuneration Report
for Zagreb Stock Exchange, Inc. Management and Supervisory Board Members
for 2019

1. FIXED AND VARIABLE ELEMENTS OF REMUNERATION FOR 2019

1.1. ZAGREB STOCK EXCHANGE, INC. MANAGEMENT BOARD

In 2019, the remuneration paid to the Company's Management Board President Ivana Gažić totalled a gross HRK 999,983 of which HRK 877,683 is the fixed element of remuneration and HRK 122,300 the variable element of remuneration. The fixed element represents 87.77% and the variable element 12.23% of remuneration.

In 2019, the remuneration paid to the Company's Management Board Member Tomislav Gračan totalled a gross HRK 924,002 of which HRK 812,002 is the fixed element of remuneration and HRK 112,000 the variable element of remuneration. The fixed element represents 87.88% and the variable element 12.12% of remuneration.

For Management Board President Ivana Gažić voluntary health insurance policy was agreed with an annual premium of HRK 4,249.

For Management Board Member Tomislav Gračan voluntary health insurance policy was agreed with an annual premium of HRK 4,404.

The Company's Management Board also had a management liability insurance policy issued in 2019, with the insurance cover of EUR 1 million.

Other remuneration included the right to the use of the company car, mobile telephone and laptop, which was exercised by both Management Board members.

The remuneration of the Company's Management Board members in 2019 were in compliance with the Remuneration Policy for Zagreb Stock Exchange, Inc. Management Board Members, determined by the Supervisory Board at its meeting held on 25 May 2020, and needs to be approved by the Company's Shareholder Assembly at an Annual General Meeting (AGM) in 2020.

The remuneration of Management Board Members has been defined with a view to supporting long-term performance of the Company as a universal, highly reliable and innovative exchange that contributes to creating a firm pillar and development hub for investors, the economy and society as a whole.



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1.2. ZAGREB STOCK EXCHANGE, Inc. SUPERVISORY BOARD

The following members of the Zagreb Stock Exchange, Inc. Supervisory Board: Borislav Centner, Tomislav Jakšić, Dunja Babić, Matko Maravić, Ivan Tadin, Mislav Ante Omazić, Ivan Sardelić and Enrique Bernardo Mariano, as well as Dubravko Štimac (whose Supervisory Board mandate ended on 18 June 2019) had no remuneration paid to them for their work in 2019.

2. OVERVIEW OF ANNUAL CHANGES IN REMUNERATION, INCOME AND PROFIT OF THE COMPANY AND AVERAGE REMUNERATION OF FULL-TIME EMPLOYEES FOR THE PAST FIVE FINANCIAL YEARS

In the financial year 2019, the Zagreb Stock Exchange, Inc. had total income of HRK 16,105 th. and HRK 1,195 th. in pre-tax profit. There were no changes to the remuneration paid to members of the Zagreb Stock Exchange Management Board during 2019.

The ratio of average remuneration of Zagreb Stock Exchange, Inc. Management Board members and full-time employee in 2019 was 1:2.43.

The overview below shows the average income of employees of the Zagreb Stock Exchange, Inc., fixed and variable, full-time employees for the last five business years in relation to income and net profit or loss of the Company in that period.

Annual receipts per employee - HRK (in thousand HRK)

	2019	2018	2017	2016	2015
Annual basis (gross II)	254	248	273	270	269

Zagrebačka burza (in thousand HRK)

	2019	2018	2017	2016	2015
Total income*	16.105	14.857	14.574	14.325	15.304
Net profit/(loss)	1.195	1.310	(3.753)	(4.405)	(3.128)

*Including financial income

3. NUMBER OF SHARES AND SHARE OPTIONS ISSUED OR UNDERTAKEN TO BE ISSUED BY THE COMPANY TO MANAGEMENT AND SUPERVISORY BOARD MEMBERS

The remuneration system applicable to the Management Board President includes the right to acquire up to 1% shares in the Zagreb Stock Exchange, Inc. under a share option plan at a predefined fixed price of HRK 14,10 per share in a defined time limit. The option may be exercised in October 2020 at the earliest.

Neither the Management Board Member nor members of the Supervisory Board have the right to Zagreb Stock Exchange, Inc. shares.

ZAGREB STOCK EXCHANGE, Inc. | Ivana Lučića 2a/22 | Zagreb | www.zse.hr | T. +385 1 4686 800 | F. + 385 1 4677 680

Commercial Court in Zagreb | Company Reg. No (MBS) 080034217 | ID No (OIB) 84368186611

Raiffeisenbank Austria d.d. Zagreb, IBAN: HR8324840081100277421 | Erste&Steiermarkische bank d.d. IBAN: HR3624020061100517924

Privredna banka Zagreb d.d. IBAN: HR8623400091110306562 | Hrvatska poštanska banka d.d. IBAN: HR7123900011100952279

OTP banka d.d. IBAN: HR8924070001100617002

CHAIRMAN OF THE SUPERVISORY BOARD: Borislav Centner | PRESIDENT OF THE MANAGEMENT BOARD Ivana Gažić | MEMBER OF THE MANAGEMENT BOARD Tomislav Gračan

SHARE CAPITAL HRK 46,357,000.00 paid up in whole | 4,635,700 | HRK 10.00





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4. REPAYMENT OF VARIABLE ELEMENTS OF REMUNERATION

The repayment of variable elements of remuneration of Management Board members is not foreseen nor has it been agreed.

5. REMUNERATION PAID OR UNDERTAKEN TO BE PAID TO MANAGEMENT BOARD MEMBERS IN 2019 BY A THIRD PARTY IN RESPECT OF WORK DONE AS MANAGEMENT BOARD MEMBER

Members of the Management Board in the capacity of members of the Ljubljana Stock Exchange, Inc. Supervisory Board were entitled to remuneration for their work on the Supervisory Board as a one-time amount payable if the Ljubljana Stock Exchange, Inc. generates a profit for the financial year.

In 2019, the remuneration paid to the Management Board President as the Chairperson of the Ljubljana Stock Exchange, Inc. Supervisory Board for her work on the Ljubljana Stock Exchange, Inc. Supervisory Board was EUR 1,800 gross.

The remuneration paid to the Management Board Member for his work as a member of the Ljubljana Stock Exchange, Inc. Supervisory Board was EUR 1,500 gross.

6. REMUNERATION UNDERTAKEN TO BE PAID BY THE ZAGREB STOCK EXCHANGE, INC. TO THE MANAGEMENT BOARD MEMBER IN THE EVENT OF EARLY TERMINATION OF MANAGEMENT BOARD MEMBERSHIP

If the contract for the performance of duties of the Management Board or the employment contract of the Management Board member is terminated by the Zagreb Stock Exchange, Inc., Management Board members are entitled to severance pay equal to 6 (six) monthly (basic) gross salaries, except where they are dismissed by decision of the Supervisory Board for misconduct, as a relevant reason for dismissal.

There were no payments to members of the Management Board for early termination of their Management Board membership or amended terms of such payment in 2019.

7. REMUNERATION UNDERTAKEN TO BE PAID BY THE ZAGREB STOCK EXCHANGE, INC. TO THE MANAGEMENT BOARD MEMBER IN THE EVENT OF REGULAR TERMINATION OF MANAGEMENT BOARD MEMBERSHIP

No obligations were undertaken by the Zagreb Stock Exchange, Inc. under the contract for the performance of duties of the Management Board member or under the employment contract of the Management Board member to pay remuneration to its Management Board members in the event of regular termination of their membership of the Management Board.

There were no changes to such arrangements in the course of 2019.



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Zagreb Stock Exchange

8. REMUNERATION UNDERTAKEN TO BE PAID BY THE ZAGREB STOCK EXCHANGE, INC. IN RESPECT OF TERMINATION OF MANAGEMENT BOARD MEMBERSHIP TO A FORMER MEMBER OF THE MANAGEMENT BOARD WHOSE MEMBERSHIP EXPIRED IN 2019

There was no termination of membership of the Zagreb Stock Exchange Management Board in the course of 2019.


9. CONCLUSION

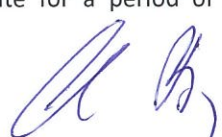
As the Remuneration policy for Zagreb Stock Exchange, Inc. Management Board Members was not presented for approval by the Company's Shareholder Assembly in 2019, it is to be presented for approval to the Assembly at the AGM to be held in 2020.

This Remuneration Report for Zagreb Stock Exchange, Inc. Management and Supervisory Board Members for 2019, together with the auditor's report on the Report audit, will be submitted by the Management and Supervisory Board of the Zagreb Stock Exchange, Inc., in accordance with the provision of Article 276a(5) of the Companies Act, for discussion by the Shareholder Assembly of the Zagreb Stock Exchange, Inc. as a separate item on the agenda of the AGM.

This Remuneration Report for Zagreb Stock Exchange, Inc. Management and Supervisory Board Members for 2019, together with the auditor's report on the Remuneration Report audit, will be published by the Zagreb Stock Exchange, Inc. and made available free of charge on its website for a period of 10 years after its submission for discussion at the AGM.


Ivana Gažić
President of the Management Board


Tomislav Gračan
Member of the Management Board


Borislav Centner
Chairman of the Supervisory Board