



**ZAGREBAČKA
BURZA**

Zagreb Stock Exchange

Pursuant to Article 7 of the Statute of the Zagreb Stock Exchange Inc. and Article 26 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (hereinafter: Regulation (EU) 2016/1011), Zagreb Stock Exchange Inc. with its registered office in Ivana Lučića 2a/22, Zagreb (hereinafter: the Exchange) represented by Ivana Gažić, President of the Management Board, and Tomislav Gračan, Member of the Management Board, on December 12, 2019 gives the following

COMPLIANCE STATEMENT

In accordance with Article 26 (1) and (3) of Regulation (EU) 2016/1011, the Exchange, with respect to its non-significant benchmarks, has decided not to apply certain provisions of the mentioned Regulation. With this Compliance statement, the Exchange provides an overview of the provisions it has decided not to apply with the explanation for each of the provisions not applied, in accordance with Annex II. of the Commission implementing Regulation (EU) 2018/1106, as follows:

Item	Text field
A. General Information	
1. <i>Date of creation of this document and, where applicable, of the latest update to it</i>	12/12/19 Last updated: -
2. <i>Name of the administrator</i>	Zagreb Stock Exchange Inc.
<p><i>The following section:</i></p> <ul style="list-style-type: none">— <i>identifies the non-significant benchmark or non-significant benchmarks in respect of which provisions do not apply,</i>— <i>identifies the provisions that the administrator has chosen not to apply, and</i>— <i>explains why it is appropriate for the administrator not to comply with each such provision.</i> <p><i>If this document relates to a family of non-significant benchmarks provided by the administrator, a separate section must be completed for each set of benchmarks in respect of which:</i></p> <ul style="list-style-type: none">— <i>the provisions that the administrator chooses not to apply are the same for all those benchmarks, and</i>— <i>for each provision, the explanation why it is appropriate for the administrator not to comply with the provision is the same for all those benchmarks.</i>	
B. Zagreb Stock Exchange Inc. chooses to not apply the following provisions of Regulation (EU) 2016/1011 in respect of the non-significant benchmark or non-significant benchmarks identified below:	
1. <i>The provision or provisions of Regulation (EU) 2016/1011 that do not apply</i>	
<ol style="list-style-type: none">1. CROBEX, Zagreb Stock Exchange stock index, ISIN: HRZB00ICBEX62. CROBEXtr, Zagreb Stock Exchange stock index, ISIN: HRZB00ICBTR63. CROBEX10, Zagreb Stock Exchange stock index, ISIN: HRZB00ICBE114. CROBEXprime, Zagreb Stock Exchange stock index, ISIN: HRZB00ICBPR45. ADRIAprime, Zagreb and Ljubljana Stock Exchange joint stock index, ISIN: HRZB00IADPR4	

2 (i) *The provision or provisions of Regulation (EU) 2016/1011 that do not apply*
(ii) *For each provision, the reasons why it is appropriate for the administrator not to comply with that provision*

Article 4 Paragraph 2

Governance and conflict of interest requirements

The provision of a benchmark shall be operationally separated from any part of an administrator's business that may create an actual or potential conflict of interest.

Zagreb Stock Exchange Inc. has a Conflicts of interest management Policy in place which clearly defines the prohibitions, controls and procedures for managing actual and potential conflicts of interest, as well as the responsibilities and obligations of all employees involved in providing of the benchmark.

Article 6 Paragraph 5

Control framework requirements

The control framework shall be documented, reviewed and updated as appropriate and made available to the relevant competent authority and, upon request, to users.

Since the control framework of the Zagreb Stock Exchange Inc. it also contains information classified as business secret, it was decided that the control framework would not be made available to users.