

# **RULES OF PROCEDURE**

## **OF THE APPOINTMENT COMMITTEE**

### **OF AD PLASTIK d.d. Solin**

(consolidated text)

Consolidated text of the Rules of Procedure of the Appointment Committee of AD Plastik d.d. Solin includes the Rules of Procedure of May 31, 2012, No. 37.0/2012., and its amendments in accordance with the Decision of the Appointment Committee of December 16, 2021.

## **R U L E S O F P R O C E D U R E**

### **OF THE APPOINTMENT COMMITTEE OF AD PLASTIK d.d. SOLIN**

(consolidated text)

#### **I. INTRODUCTORY PROVISIONS**

##### Article 1

1. The Rules of Procedure of the Appointment Committee (hereinafter: the Rules) regulate the basic issues which are significant for operations and organization of the Appointment Committee.
2. The provisions of these Rules shall be binding on all Appointment Committee members and all other persons who in any way participate in operations of that body.

#### **II. COMPOSITION AND TERM OF OFFICE OF THE APPOINTMENT COMMITTEE**

##### Article 2

1. The Appointment Committee (hereinafter: the Committee) has 3 (three) members out of which, in general, 2 (two) members are also members of the Supervisory Board of the Company.
2. Members of the Management Board cannot be members of the Committee.

##### Article 3

1. Committee members shall be appointed for a period of 4 (four) years and they may be reappointed.
2. The Supervisory Board of the Company based on its decision may revoke a Committee member even before the expiry of his/her term of office.
3. A Committee member may at any time resign his/her membership of the Committee. The resignation must be submitted in writing to the Supervisory Board of the Company and, if anything else does not derive from it, it shall become effective from the day of its submission.

##### Article 4

1. At its constitutive meeting the Committee shall elect the President of the Committee and one his/her deputy from among its members for a term of office that lasts for 4 (four) years.

2. The Deputy President has the rights and obligations of the President only when the President is unable to perform his/her function.

### **III. TASKS AND RESPONSIBILITIES OF THE APPOINTMENT COMMITTEE**

#### Article 5

The main duties of the Committee, in accordance with legal powers and internal acts, are:

- overseeing the appointment process to the Supervisory Board and the Management Board to ensure that it is carried out in accordance with the law and applicable regulations and in a transparent manner,
- creating descriptions of roles and candidates for vacancies in the Management Board or the Supervisory Board, and if, necessary, identifying and recommending appropriate candidates to the Supervisory Board, all on a proposal and in consultation with the President of the Management Board or the Supervisory Board,
- when assessing independent candidates of the Supervisory Board in accordance with the law, the Charter and the Profile, it shall follow the criteria of independence as defined in Appendix A of the Corporate Governance Code of the HANFA and the Zagreb Stock Exchange,
- recommending the terms of appointment with potential new members of the Management Board or the Supervisory Board in accordance with the internal acts of the Company, including the expected time required for performing their functions,
- preparation of a succession plan for reappointment or replacement of members of the Supervisory Board and the Management Board, on a proposal and in consultation with the President of the Supervisory Board or the Management Board,
- if necessary, monitoring the progress in achieving the target percentage of female members of the Management Board and the Supervisory Board,
- if necessary, considering the Management Board's policy on the selection and appointment of senior management.

### **IV. RELATIONSHIP BETWEEN THE APPOINTMENT COMMITTEE AND THE SUPERVISORY BOARD OF THE COMPANY**

#### Article 6

1. The Committee is accountable for its work to the Supervisory Board of the Company.
2. The Committee shall regularly report to the Supervisory Board on its activities and the results, as well as always when requested to do so by the Supervisory Board.

### **V. METHOD OF OPERATION OF THE APPOINTMENT COMMITTEE**

#### Article 7

The Committee shall operate and make decisions at its meetings.

#### Article 8

1. The operation of the Committee includes getting information on specific issues, discussing and making decision on reports, information and proposed by-laws in relation to the activities from its scope established by these Rules.
2. The President and each individual Committee member have the right to be informed on the activities within the scope of the Committee.
3. Within its work the Committee shall make decisions in accordance with the provisions of these Rules.

#### Article 9

1. The constitutive meeting of the Committee shall be convened by one of the Committee members, as a rule, immediately after the appointment of the Committee members.
2. Until the election of the President of the Committee, a Committee member who convened the constitutive meeting shall manage the operation of the meeting.

## VI. APPOINTMENT COMMITTEE MEETINGS

### 1. General information on the preparation and the meetings of the Appointment Committee

#### Article 10

Committee meetings shall be prepared by the President of the Committee through professional services of the Company. The operations of meeting preparation include the preparation of materials for the meeting and organization of Committee meeting.

#### Article 11

1. Materials for the Committee meeting shall be prepared in written form, in Croatian, provided that these materials shall be delivered and translated into Russian to the Committee members who speak Russian language.
2. Material for the Committee meeting shall include: meeting invitation with the draft agenda, material which refers to each item of the agenda and an extract of the previous Committee Meeting Minutes.

#### Article 12

At the Committee meeting a simultaneous translation of a speaker from Croatian into Russian i.e. from Russian into Croatian shall be provided.

#### Article 13

1. Committee meetings shall be held as needed.

2. In general, Committee meetings shall be held in the Company headquarter. A Committee meeting may also be held outside the Company headquarter.
3. In case when Committee meetings shall be held outside the Company headquarter, a place of the meeting shall be defined by the President of the Committee or the persons who convene the meeting.

## 2. Convening a Committee meeting

### Article 14

1. Committee Meetings shall be convened by the President and in case of his/her absence, his/her deputy.
2. Each Committee Member may require the President to convene a Committee meeting by stating the reasons and purposes. The meeting must take place within 15 days after convening.
3. If requirement from the preceding paragraph is not satisfied, each Committee member may convene a Committee meeting by stating the reasons for convening and the meeting agenda.
4. The draft agenda of the Committee meeting shall be defined by its President i.e. Deputy President who shall convene the meeting while respecting the requirements of Committee members in terms of the paragraph 2 of this Article.

### Article 15

1. Committee members shall be invited to the meeting by written invitation. A meeting invitation must contain the venue and time of the meeting as well as the draft agenda.
2. A written material referred to in Article 11 of these Rules will be delivered to each Committee member along with the meeting invitation.
3. If the material for an agenda item has not been provided with an invitation to the Committee meeting including that item, the President of the Committee shall specify in the invitation the date by which the materials shall subsequently be provided and, if required, the method of delivery (by mail, directly at the meeting, etc.).
4. If an agenda item is related to a shorter information or a simpler issue to be decided, a material referred to in Article 11 of these Rules does not have to be submitted with the invitation regarding such agenda item, provided that the President of the Committee shall emphasize within the invitation that the appropriate material for this agenda item was not submitted.

### Article 16

1. Materials for the meeting shall be delivered to the Committee members by e-mail, and additionally in any other way individually requested by each of them (delivery service, courier services (DHL), telefax) no later than eight (8) days before the date of the meeting, provided that the time of submission is calculated based on the time (day) when individual member received a meeting invitation with the corresponding material in a way that he/she requested.
2. Exceptionally to paragraph 1 of this Article, in urgent cases a Committee meeting may be convened in within less than eight (8) days by informing the Committee members on the time and venue of the meeting and at least in two ways, between the following: courier services (DHL), delivery service, e-mail, telefax, telegram and telephone. In such case the draft

agenda will be presented to the members at the latest at the beginning of the meeting and the written material will be distributed at the latest immediately before the beginning of the meeting, except for those items for which it is not necessary to submit the corresponding material, according to the Article 15, paragraph 4 of these Rules. In such case the President of the Committee is obliged to present the reasons for urgent convening the meeting to Committee members before moving on to the first agenda item.

### 3. Committee Meetings

#### Article 17

1. Meetings shall be chaired by the President of the Committee, and in case of his/her absence his/her deputy will replace him/her.
2. Committee meetings cannot be attended by the persons who are not its members, unless they have been invited as speakers, consultants and the experts on specific issues to be decided.
3. Committee meetings shall be attended by a person, as a meeting secretary, elected by the President of the Committee, who does not need to be a Committee member.
4. Committee members which are present at the meeting shall discuss and propose the decisions at the Committee meeting.

#### Article 18

Committee members which are present at the Committee meeting shall vote publicly, by a show of hands and the absent Committee members may vote by submitting their votes in written form, by another Committee member who shall deliver it to the Committee during the decision making.

#### Article 19

The decisions may be validly made at the Committee meeting if the decision-making involves all three (3) of its members, counting those members who are present at the meeting, as well as those who are absent, but who have submitted their vote, in terms of Article 18 of these Rules.

#### Article 20

1. A Committee Member who wants to amend the agenda with the new item and new draft decision may propose a regular amendment to the agenda in a way that such a draft must be submitted in writing to the other Committee members, not later than three (3) days before the date of the meeting (regular amendment to the agenda). In case of regular amendment to the agenda in a corresponding way, the provisions of Article 11 of these Rules (form, language, contents of material), Article 15, paragraph 4 of these Rules (exception when the material for the meeting is not being submitted) and Article 16, paragraph 1 of these Rules (way of delivery) are applied.
2. Extraordinary amendment to the agenda can be proposed at the Committee meeting by any Committee member. In case of an extraordinary amendment to the agenda in a corresponding way, the provisions of Article 15 of these Rules (form, language, contents of material)

and Article 15, paragraph 4 of these Rules (exception when the material for the meeting is not being submitted) are applied.

#### Article 21

1. Before opening the meeting, the President of the Committee is obliged to establish whether the conditions for valid decision-making have been fulfilled in terms of Article 19 of these Rules.
2. If he/she determines that the conditions for valid decision-making have not been fulfilled nor on one agenda item, in terms of Article 19 of these Rules, the President of the Committee shall adjourn the meeting.
3. If he/she determines that the conditions for valid decision-making have been fulfilled on all agenda items or on one item or part of agenda items, in terms of Article 19 of these Rules, the President of the Committee shall open the meeting and the procedure for determining the agenda, according to Articles 22 and 23 of these Rules.

#### Article 22

1. The President of the Committee shall open the meeting and the procedure for determining the agenda, at first by establishing the agenda items according to the invitation and regular amendment for which the conditions for valid decision-making have been fulfilled, in terms of Article 19 of these Rules. After that he/she shall ask if anyone has any objection or counterproposal regarding the agenda.
2. An objection may refer to violation of these Rules regarding fulfillment of conditions for valid decision-making or regarding Committee meeting preparation, along with which a special proposal based on such objection (for example: certain item will be removed or certain item will be discussed without decision-making, etc.) should also always be submitted.
3. A counterproposal may refer to an extraordinary amendment to the agenda and / or to removal of certain agenda item and / or changes to the order of the agenda and similar.
4. If a Committee member presents a special proposal or counterproposal at the meeting, in terms of paragraphs 2 and 3 of this Article, such proposals or counterproposals shall be decided upon at first, in the order presented, and then the total agenda shall be decided.

#### Article 23

1. After deciding on specific proposals and counterproposals, the adoption of total agenda according to the invitation and regular amendment, as well as special proposals and counterproposals adopted, shall begin, excluding those proposed agenda items for which the conditions for valid decision-making have not been fulfilled, in terms of Article 19 of these Rules.
2. The agenda accepted by the Committee members shall be considered as an adopted agenda, according to the previous paragraph of this Article, as established by the President after the voting performed, before continuing with the item 1 of the agenda (verification of a previous Committee Meeting Minutes).

#### Article 24

1. Before closing the debate on a particular issue, the President of the Committee is obliged to assess whether all the elements of relevance for making the proper and lawful decision have been discussed.
2. If the Committee, while discussing on a particular issue from the agenda, assesses that based on facts presented and discussed the decision could not be made, it may request an additional explanation or information and define that on such agenda item the decision shall be made at the next meeting. Within its decision, the Committee shall assign a specific person to provide an additional explanation, that is to collect additional information and it shall appoint a time limit within which such person will be obliged to do it.

#### Article 25

If the documents or data which represent a trade secret shall be discussed at the meeting, the President of the Committee shall warn all the participants that they are obliged to keep trade secret and he/she shall emphasize the consequences of violation of obligation of keeping trade secret.

#### Article 26

1. The Committee shall make decisions by majority of given votes (simple majority).
2. A Committee member shall be obliged to vote „FOR“ or „AGAINST“ the proposed decision. Only extremely the concerned Committee member may remain abstained, in case of deciding upon one of his/her individual rights or legal interest.
3. When determining the required majority of votes only the votes "FOR" or "AGAINST" the draft decision shall be counted.

#### Article 27

A Committee member, who remained in the minority after the voting and voted against the draft decision shall be entitled to request to include his/her separate opinion into the meeting minutes.

## VII. APPOINTMENT COMMITTEE MEETING MINUTES

#### Article 28

1. The Committee Meeting Minutes contains:
  1. number of the Committee meeting;
  2. time and venue of the meeting;
  3. name and surname of present and absent Committee members with the indication of reasons of their absence;
  4. name and surname of absent Committee members who participate in decision-making, according to Article 18 of these Rules;



5. name, surname and functions of present members who are not Committee members, and name and surname of the secretary;
  6. time of opening and closure of the meeting;
  7. established agenda;
  8. presented draft decisions regarding certain agenda items on which decisions were made at the meeting, if such drafts differ from the decisions of the draft agenda;
  9. method of voting in accordance with Article 18 of these Rules;
  10. decisions made per each agenda item, with voting results;
2. Number of the meeting shall be kept according to ordinal numbers, starting from number 1, which indicates the first meeting and continuously until the meeting preceding the first Committee meeting with the new composition.
  3. Committee Meeting Minutes mentioned under paragraph 1 of this Article shall be made in 2 (two) copies, one for the President of the Committee and one for the Company, signed by the President of the Committee i.e. Deputy President who conducted the meeting and the secretary.
  4. Based on the Committee Meeting Minutes an Extract of the Minutes which contains items referred to in paragraph 1 of this Article from (1) to (7) and item (10) shall be prepared. Extract of the Minutes shall be submitted within the material for the next meeting, for the purpose of its verification.

#### Article 29

1. The Committee Meeting Minutes shall be prepared no later than eight (8) days from the date of the meeting.
2. The Extract of the Committee Meeting Minutes shall be prepared no later than the submission of invitation for the following Committee meeting.

#### Article 30

1. Extract of the Committee Meeting Minutes shall be verified, as a rule, at the next Committee meeting, as the first agenda item.
2. If the Committee members have any objections to the Extract of the Minutes, during its verification, and if such objection is accepted by Committee members, such objection shall be entered in the Committee Meeting Minutes at which the verification procedure is being performed. Otherwise, if there are no objections or if objections do not get the majority of the given votes, such Minutes shall be considered accepted (verified) without a special voting.

### **VIII. RIGHTS AND OBLIGATIONS OF THE APPOINTMENT COMMITTEE MEMBERS**

#### Article 31

1. Committee member who enters into a legal relationship with the Company while carrying out his/her professional activities, shall be obliged to act with increased attention in fulfilling his/her obligations arising from such relationship. During the establishment of such a legal

relationship the member may not use his/her function of a Committee member in order to acquire specific benefits that do not arise from that function.

2. Committee members shall not publicly display their membership in the Committee for the purpose of gaining any illicit, personal or professional benefits which may jeopardize the reputation and other interests of the Company.

#### Article 32

1. If a Committee member is unable to attend the meeting, he/she shall inform the President about it without delay.
2. In the case referred to in paragraph 1 of this Article, the member concerned shall have the right and duty to vote as an absent member, in a way defined in Article 18 of these Rules and shall submit a corresponding written notice to the President or one of Committee members.

### **IX. PRESIDENT OF THE APPOINTMENT COMMITTEE**

#### Article 33

1. The President of the Appointment Committee shall organize and manage the operations of the Committee, pursuant to the provisions of these Rules, in particular:
  - taking care of preparation of Committee meetings;
  - convening and managing the Committee meetings;
  - determining the existence of conditions for valid decision-making;
  - putting to the vote draft decisions at the meeting;
  - establishing and publishing the results of voting on individual proposals on which the Committee members have been deciding;
  - signing all by-laws adopted by the Committee;
  - ensuring that the Committee shall comply with the provisions of the Act, Company Charter, these Rules and the decisions of the General Assembly and the Supervisory Board of the Company.
2. Provisions of these Rules on the President of the Committee refer also to the Deputy President of the Committee who shall replace him/her during his/her absence.

#### Article 34

The President of the Committee must have the possibility of direct communication with shareholders of the Company in a way of stepping forward at the General Assembly of the Company, in cases when the General Assembly discusses the draft by-law of the Supervisory Board in whose formulation the Appointment Committee has participated by giving the necessary explanations or proposed by-law reasons.

## **X. PUBLICITY OF OPERATIONS**

### Article 35

1. The Committee's operations shall take place at closed meetings.
2. Once a year the Committee is obliged to create and submit a report on its work, composition, number of meetings and presence on meetings to the Company so that the Company could make it available to the public.

## **XI. FINAL PROVISIONS**

### Article 36

1. These Rules shall be submitted to each Committee member.
2. These Rules shall come into force on the day of adoption.

PRESIDENT OF THE APPOINTMENT COMMITTEE