

**AD Plastik d.d.**

Joint-stock company  
for automotive plastic components manufacturing

HR 21210 Solin, Matoševa 8 • [www.adplastik.hr](http://www.adplastik.hr)  
tel.: +385 (0) 21 206 444 • fax: +385 (0) 21 206 599



**Announcement of regulated information**

Security: ADPL / ISIN: HRADPLRA0006

LEI: 549300NFX18SRZHNT751

Home Member State: Croatia

Quotation: Zagreb Stock Exchange, Prime Market

Solin, July 15, 2021

## General Assembly held

In accordance with the provisions of the Capital Market Act and Zagreb Stock Exchange Rules, we hereby inform that ordinary General Assembly meeting was held today in Solin, where all draft decisions stated in Invitation to the General Assembly were confirmed.

The decisions of the General Assembly are attached to this announcement.

**Contact:**

**Katia Zelić**

Investor Relations Manager

mob. +385 91 221 1446

[katia.zelic@adplastik.hr](mailto:katia.zelic@adplastik.hr)

**DECISIONS**  
**of the ordinary General Assembly of AD Plastik d.d. Solin**  
**as of July 15, 2021**

Ordinary General Assembly of AD Plastik d.d. was held on July 15, 2021 in the premises of the headquarters of AD Plastik d.d., Matoševa 8, Solin with the following agenda:

1. Annual Financial Statements of AD Plastik d.d. and Consolidated Annual Financial Statements of AD Plastik Group for 2020, Annual report on the status of AD Plastik Group for 2020, and Report by the Supervisory Board on the performed supervision over management of business of AD Plastik Group for 2020;
2. Decision on issuance of approval to the Management Board for their work in 2020;
3. Decision on issuance of approval for work to the Supervisory Board members in 2020;
4. Decision on appointment of an auditor for 2021 and defining remuneration for its work;
5. Decision on use of the profit realized in 2020;
6. Decision on dividend payment;
7. Decision on approval of the Remuneration Report of Management and Supervisory Board Members for 2020;
8. Decision on remuneration of Supervisory Board members;
9. Decision on approval of Remuneration Policy for Management Board members

General Assembly of AD Plastik d.d., on which 2,637,588 votes were present, that is represented, comprising 62.81 percent of the total number of shares and the Company's share capital, has unanimously adopted the decisions from Ad 2 to Ad 8 of the agenda, while the decision Ad 9 – on approval of Remuneration Policy for Management Board members – was made by a majority of 2,569,186 votes "for", 58,420 votes were "against", while 9,982 votes were "abstain", as follows:

**Ad 2. Decision on issuance of approval to the Management Board for their work in 2020:**

Approval to the Management Board for their work in 2020 has been issued.

**Ad 3. Decision on issuance of approval for work to the Supervisory Board members in 2020:**

Approval to the members of the Supervisory Board for their work in 2020 has been issued.

**Ad 4. Decision on appointment of an auditor for 2021 and defining remuneration for its work:**

- I. The company KPMG Croatia, d.o.o., OIB: 20963249418, Zagreb, Ivana Lučića 2/a has been appointed as the auditor for 2021 for AD Plastik, d.d. Solin.
- II. Remuneration for the work of the auditor for 2021 shall be established by a special Contract between the Company and the auditor, in accordance with the valid Audit law (NN No. 127/17)

**Ad 5. Decision on use of the profit realized in 2020:**

Profit of AD Plastik d.d., Solin (hereinafter: the Company) realized in 2020 after taxation amounts to HRK 68,632,630.43 and it shall be used as follows:

- for dividend payment in the amount of HRK 33,596,672.00
- the rest for the retained earnings.

The calculated dividend amount of the Company's own shares, as of the day of the acquisition of the right to dividend payment, shall be included in retained earnings.

**Ad. 6. Decision on dividend payment:**

- I. The shareholders of AD Plastik d.d. (hereinafter: the Company), registered as holders of shares under the ticker symbol ADPL in the depository of the Central Depository and Clearing Company Inc., on July 22, 2021 (record date), acquire the claims to dividend payment from profit of the Company realized in 2020 in the amount of HRK 8.00 per share.
- II. The date from which the Company's share will be traded without the right to dividend payment is July 21, 2021 (ex-date).
- III. The claims to dividend payment become due on July 27, 2021 (payment date).
- IV. The Management Board of the Company is instructed to publish this decision at the Zagreb Stock Exchange without delay after the meeting of the General Assembly.
- V. This Decision shall enter into force on the date of its adoption.

**Ad 7. Decision on approval of the Remuneration Report of Management and Supervisory Board Members for 2020:**

The audited Remuneration Report of Management and Supervisory Board Members for 2020 has been approved in the text published as Annex 1 of the Invitation to the General Assembly, together with the auditor's report, which form an integral part of this Decision.

**Ad 8. Decision on remuneration of Supervisory Board members:**

1. This Decision on remuneration of the Supervisory Board members (hereinafter: the Decision) is based on the principle of ensuring quality and professional members of the Supervisory Board for the purpose of achieving the mission and long-term strategy of the Company for the benefit of all its stakeholders. This Decision ensures the transparency of remuneration of the Supervisory Board members and, during its adoption, account was taken of various external and internal elements, economic conditions, remuneration of the Company employees and best practices.

2. For their participation in the work of the Supervisory Board and the Supervisory Board committees, members of the Supervisory Board shall be entitled to remuneration pursuant to this Decision of the General Assembly of the Company. In order to ensure their independence and avoidance of conflicts of interest, the remuneration of the Supervisory Board members shall not depend on the Company's results, but are determined in a fixed amount.

3. The amount of remuneration shall depend on the function of the respective member in the Supervisory Board, namely:

3.1. President of the Supervisory Board is entitled to remuneration in the net amount of HRK 12,000.00;

3.2. Deputy President of the Supervisory Board is entitled to remuneration in the net amount of 10,000.00;

3.3. Other members of the Supervisory Board are entitled to remuneration in the net amount of HRK 8,000.00;

3.4. The Supervisory Board members who are also members of one or more Supervisory Board committees are entitled to additional remuneration in the net amount of HRK 4,000.00, as well as other members of the Supervisory Board committees (remuneration per each session of the committees in which they participate)

The remuneration referred to in items 3.1, 3.2 and 3.3 above shall be paid once each quarter, namely by the end of the last month in the respective quarter as follows: by the end of March for the first quarter (Q1); by the end of June for Q2; by the end of September for Q3; by the end of December for Q4.

Taxes and contributions related to the remuneration shall be calculated and paid by the Company in accordance with applicable tax regulations.

The remuneration referred to in item 3.4 above shall be paid after the committee's session is held.

4. Members of the Supervisory Board and its committees shall also be entitled to compensation of all justified and documented costs they incurred with regard to participating in sessions of the Supervisory Board or in the work of the Supervisory Board or its committees.

5. Members of the Supervisory Board shall be entitled to remuneration from the date of starting their term of office until the date of their termination of office as members of the Supervisory Board. Members whose membership in the Supervisory Board lasted for a part of the quarter referred to in item 3 of this Decision shall be entitled to remuneration in proportion to the duration of their membership.

6. Members of the Supervisory Board and its committees shall not be entitled to receive payment of the above remuneration in Company shares, the payment of remuneration may not be delayed, and the Company may not claim a refund of the paid remuneration. Members of the Supervisory Board and its committees may decide not to receive the remuneration stipulated under this Decision.

7. With regard to members of the Supervisory Board and members of its committees, the Company shall not conclude a contract regulating the rights and obligations of members of the Supervisory Board and its committees. Members of the Supervisory Board and its committees shall not be entitled to a severance pay.

8. At least once every four years, the Remuneration Committee shall review the decision on remuneration of the Supervisory Board members and shall give recommendations to the Supervisory Board regarding any proposed changes.

9. In accordance with the Act, remuneration of the Supervisory Board members shall be approved by the General Assembly of the Company which, at least once every four years, adopts a decision on remuneration of the Supervisory Board members. A decision confirming an earlier decision shall be permitted.

10. This Decision shall enter into force on the day of its adoption by the General Assembly of the Company.

11. This Decision shall be published on the Company's website for the period prescribed by the Act.

#### **Ad 9. Decision on approval of Remuneration Policy for Management Board members:**

The Remuneration Policy for Management Board members has been approved according to the determination of the Supervisory Board of the Company in the text:

#### **“REMUNERATION POLICY FOR MANAGEMENT BOARD MEMBERS**

**TABLE OF CONTENTS**

1. Introduction – starting points and objectives of the Remuneration Policy.....	2
2. Fixed and variable parts of remuneration and their share in total remuneration.....	2
3. Criteria for payment of variable remuneration.....	4
4. Restrictions and refund of the variable part of remuneration.....	5
5. Payment of variable remuneration in shares.....	5
6. Manager’s contract.....	6
7. Taking into account remuneration and working conditions of employees.....	6
8. Adoption of the Remuneration Policy and conflict of interest.....	6
9. Authority of the Supervisory Board to temporarily deviate from the Remuneration Policy.....	7
10. Final provisions.....	7

Pursuant to Article 247a of the Companies Act (OG 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; hereinafter: **CA**), the Supervisory Board of the company AD Plastik d.d., registered with the court register of the Commercial Court in Split, with its registered office in Solin, Matoševa 8, PIN (OIB): 48351740621, hereinafter: **Company**), at the session of the Supervisory Board held on 27/05/2021, laid down the following:

**REMUNERATION POLICY FOR MANAGEMENT BOARD MEMBERS****1. Introduction – starting points and objectives of the Remuneration Policy****To what extent does remuneration contribute to the company’s business strategy and long-term development (Article 247a, paragraph 1, item 1 of the CA)**

The Company is a multinational company with eight production facilities in five countries, whose operational activities cover five continents and more than twenty countries. AD Plastik Group (hereinafter: **Group**) is the leading company specialising in the development and production of interior and exterior car components in Croatia and one of the leading companies in Eastern Europe. The Group’s corporate culture is based on sustainability, encouraging cooperation and recognising excellence.

This Remuneration Policy shall establish a remuneration system for members of the Management Board by defining transparent rules and procedures for determining remuneration of the Management Board members that aligns interests of the Management Board members with long-term interests as well as successful and ethical implementation of the business strategy and development of the Company and the entire Group.

**2. Fixed and variable parts of remuneration and their share in total remuneration****(Article 247a, paragraph 1, item 2 of the CA)**

This Remuneration Policy shall establish an appropriate balance between the variable and fixed remuneration of the Management Board members required to promote transparent and efficient management.



Fixed remuneration is determined by an individual manager's contract that defines the terms of employment between a member of the Management Board and the Company, and specifies particular additional benefits for the Management Board member (hereinafter: **Contract**). The fixed remuneration of the Management Board members shall reflect the relevant professional experience, competence and responsibility of the Management Board members with a view to attract and retain the highest quality key personnel of the Company, all for the purpose of achieving all strategic long-term plans and objectives of the Company and the Group.

The variable remuneration shall be directly linked to the realisation of financial, non-financial, and key strategic objectives of the Company and the Group.

The Management Board members are employed by the Company and their remuneration is determined under the Contract and, to the extent applicable, the Company's internal acts.

The share of the annual fixed remuneration in the total annual remuneration of the Management Board members shall amount to at least 33% of their total annual remuneration, depending on the amount of the realised variable part of remuneration.

Remuneration of the Company Management Board members shall be divided as follows:

#### **2.1. Fixed remuneration:**

Fixed remuneration shall consist of a monthly salary set by the Contract in a fixed amount. The salary of the Management Board members should reflect their relevant professional and work experience, competences and the level of responsibility, and its amount should be sufficient to provide financial security and stability, i.e. ensure the independence of a Management Board member from the variable part of remuneration, while corresponding to the level of responsibility of a position in which key decisions of the Company are made.

The salary shall include remuneration for working outside the daily working hours and for working on Sundays and holidays.

#### Other benefits

In line with the best local practices, the Contract may provide for additional benefits such as:

- use of an official vehicle for business and private purposes;
- covering the cost of a life insurance policy premium or voluntary pension savings, or payment of an equivalent value in cash or Company shares, at the option of the Management Board member;
- covering the costs of renting an apartment, including utility costs, as well as travel costs for members of the Management Board whose residence is more than 100 km away from the Company's headquarters;
- covering the cost of an annual medical examination and the cost of a supplementary and/or additional health insurance premium for the purpose of promoting health protection of the Management Board members.

## 2.2. Variable remuneration:

Variable remuneration means the remuneration that may be paid to the Management Board members in accordance with the realised annual financial and non-financial objectives defined by the Supervisory Board of the Company, and a positive trend in the realisation of the Group's key strategic objectives. The objectives defined by the Supervisory Board of the Company must be challenging so that only outstanding results are rewarded, and must be set in such a way that the Management Board members are not tempted to take excessive risks that are not in line with the Company's strategy, and that they do not encourage unethical behaviour.

The amount of variable remuneration of the Management Board members shall be specified in the Contract, ranging from 8% to 100% of the annual gross salary earned in the year for which the variable remuneration is awarded if the variable remuneration is paid in cash, i.e. of the annual net salary if the variable remuneration is paid in Company shares (in accordance with the rules provided in Article 5, item (a) of this Policy).

For the President of the Management Board, the Contract may provide for special criteria and the variable remuneration amount of an additional 50% of the annual gross salary earned in the year for which the variable remuneration is awarded if the variable remuneration is paid in cash, i.e. of the annual net salary if the variable remuneration is paid in Company shares (in accordance with the rules provided in Article 5, item (a) of this Policy).

For the purposes of calculating the variable remuneration "*annual gross salary*", i.e. "*annual net salary*" shall mean the basic salary without other benefits defined in the Contract.

A member of the Management Board shall be entitled to opt for payment of the variable remuneration in Company shares instead of cash. If a member of the Management Board opts for payment of the variable remuneration in Company shares, such remuneration shall be determined in accordance with Article 5, item (a) of this Policy.

The Supervisory Board may also include in the Contract an additional long-term variable remuneration for all or individual members of the Management Board. The long-term variable remuneration may be agreed up to the amount of an additional 50% of the annual gross salary earned in the year for which the variable remuneration is awarded if the variable remuneration is paid in cash, i.e. 50% of the annual net salary if the variable remuneration is paid in Company shares.

### 3. Criteria for payment of variable remuneration

#### **(Article 247a, paragraph 1, item 3 of the Act)**

- (a)** The criteria, i.e. the objectives on the realisation of which the payment and amount of the variable remuneration depend, shall be defined in more detail by the Contract, in particular taking into account the following:
- financial performance indicators of the Group defined in the Group's annual plan, such as sales revenues, EBITDA, debt, net profit and other financial indicators, whereas at least two objectives must be realised, of which one is the realised net profit above 80% of the targeted (planned) amount;

- non-financial performance indicators of the Group, such as a positive evaluation of the Group's performance by independent bodies and, where necessary, indicators associated with corporate social responsibility; and
- a positive trend in the realisation of the Group's key strategic objectives defined in the Master Strategy and/or the mid-term plan, which means that it may be justifiably concluded from the fluctuations in the Group's financial results that the key strategic objectives are being realised according to the indicators defined in the Contract, i.e. that those objectives will be, in the context of foreseeable circumstances, realised within the given period.

The criteria for payment of the variable part of remuneration shall be set in such a way that the Management Board members are motivated to achieve the Group's long-term development and to contribute through their activities to the realisation of the business strategy and long-term development of the Company and the Group.

If the Contract with a member of the Management Board provides for the right of the Management Board member to receive long-term variable remuneration, the Contract should also define the additional long-term objectives or objectives associated with the successful realisation of specific projects for which the Management Board member is entitled to receive long-term variable remuneration.

**(b) Methods to determine whether the criteria are fulfilled**

Depending on whether they fulfilled the criteria for payment of the variable part of remuneration, the Management Board members shall realise the right to payment of the variable remuneration for the previous financial year when the Supervisory Board adopts the Group's integrated annual report for the previous year.

In line with internal rules and upon proposal of the Remuneration Committee, the Supervisory Board of the Company shall adopt a decision on fulfilment of the conditions for payment of the variable remuneration at the session in which it decides on the Company's integrated annual report. When evaluating the criteria, the Supervisory Board should take into account the degree and scope of realisation of the set objectives, all in accordance with the Contracts and this Remuneration Policy.

**4. Restrictions and refund of the variable part of remuneration**

**(Article 247a, paragraph 1, item 4 of the CA)**

The Company shall not be entitled to claim a refund of the variable part of remuneration from the Management Board members.

**5. Payment of variable remuneration in shares**

**(Article 247a, paragraph 1, item 5 of the CA)**

- (a)** Variable remuneration shall be paid in cash or Company shares, at the option of the Management Board member.

If the Management Board member opts for payment of the variable remuneration in Company shares, the number of shares to be awarded shall be determined on the basis of the ratio between the net amount of the variable remuneration paid in shares and the average share price in the month preceding the month in which the decision was adopted.



The payment of the bonus in shares shall be regulated in more detail and realised by concluding a separate share transfer agreement between the Company and the Management Board member, and the shares shall be acquired immediately after the conclusion of the said agreement.

- (b)** After the acquisition of such shares, the Management Board member may not dispose of them for at least two years from the day they were awarded to him/her, unless his/her membership in the Management Board expires within the listed period of two years. In that case, after the end of his/her term of office, the ex-member of the Management Board may freely dispose of the awarded shares.
- (c)** The payment of the variable remuneration in Company shares contributes to the realisation of the Company's objectives by giving the Management Board members an additional personal interest for sustainable and development operations of the Company, as well as additionally motivating the Management Board members to achieve the objectives of annual and mid-term plans of the entire Group.

#### 6. Manager's contract

##### **(Article 247a, paragraph 1, item 6 of the CA)**

##### **(a)** Duration and termination of the Contract

The Contract shall be concluded for the duration of the term of office of an individual member of the Management Board.

Before the expiry of the period of his/her appointment, the term of office of the Management Board member may be terminated at his/her own request or based on the decision of the Supervisory Board in accordance with the provisions of the CA. The termination notice period shall be defined by the Contract.

##### **(b)** Severance pay

The right to severance pay, its amount and conditions for payment shall be exercised by the Management Board members pursuant to the Contract.

##### **(c)** Voluntary pension and health insurance; purchase of qualifying periods

The Company may include in the Contract its obligation to pay voluntary retirement insurance for the Management Board member in the case that the Management Board member decides to use this right instead of a life insurance policy.

If, after the Contract has expired, the Management Board member goes into early retirement, the Company shall neither pay voluntary health insurance nor shall be obliged to purchase qualifying periods for the Management Board member.

#### 7. Taking into account remuneration and working conditions of employees

##### **(Article 247a, paragraph 1, item 7 of the CA)**

When determining remuneration of the Management Board members, the terms of remuneration and working conditions of senior management in the Company at the level of sector directors, operating units, executive directors and directors of subsidiaries operating within the Group were taken into account, as well as of other companies on the labour market comparable in terms of their size, business activity, geographical scope of operations and/or complexity.

8. Adoption of the Remuneration Policy and conflict of interest

**(Article 247a, paragraph 1, items 8 and 9 of the Act)**

The Remuneration Committee shall propose the Remuneration Policy to the Supervisory Board, which shall provide other proposals in line with internal rules. All members of the Supervisory Board shall participate in adopting the Remuneration Policy for Management Board Members based on a proposal by the Remuneration Committee.

The Supervisory Board shall submit the adopted Remuneration Policy to the General Assembly of the Company for approval.

Pursuant to Article 276 of the CA, if the General Assembly fails to approve the Remuneration Policy, the Supervisory Board shall submit its revised Remuneration Policy at the first next session of the General Assembly, where it will be voted on.

For the purpose of avoiding conflicts of interest, the Contracts shall contain provisions on non-competition during and after employment in the Company, as well as provisions on the obligation of non-disclosure of trade secrets. The Management Board members shall be bound by enforceable legal regulations on the prevention of conflict of interest and internal acts.

9. Authority of the Supervisory Board to temporarily deviate from the Remuneration Policy

**(Article 247a, paragraph 2 of the CA)**

The Supervisory Board may temporarily deviate from the Remuneration Policy, if this is necessary for the long-term benefit of the Company and based on a special and reasoned decision of the Supervisory Board.

10. Final provisions

This Remuneration Policy shall apply for the period of 4 (four) years and it shall enter into force upon approval by the General Assembly of the Company.

The Decision of the General Assembly and the Remuneration Policy shall be published immediately after the General Assembly is held and made available on the Company's website for a period of ten years."