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AD Plastik d.d.

Joint-stock company
for automotive plastic components manufacturing

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



Announcement of regulated information

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Home Member State: Croatia

Quotation: Zagreb Stock Exchange, Prime Market

Solin, June 5, 2024

Invitation to the General Assembly

In accordance with the provisions of the Capital Market Act and Zagreb Stock Exchange Rules, we hereby announce an invitation to the General Assembly that will be held on July 18, 2024, starting at 12 o'clock at the company headquarters premises in Solin.

Invitation with the agenda and draft decisions are attached to this announcement.

AD Plastik d.d.

Based on the Article 277 of the Corporations Act (Official Gazette 111/93, 34/99, 52/00, 118/03, 137/09, 152/11, 111/12, 144/12, 68/13, 110/15, 40/19, 114/2022, 18/2023 and 130/2023) and the Article 35 of the Charter of AD Plastik d.d., Solin, the Management Board of AD Plastik d.d., Solin, on June 5, 2024, made a decision to

C O N V E N E
the ordinary General Assembly of AD Plastik d.d. Solin

I The General Assembly shall be held on **July 18, 2024 (Thursday)**, at 12 o'clock in the Company Headquarters in Solin, Matoševa 8, according to the following

A g e n d a

- establishing the list of participants in the General Assembly

1. Annual Financial Statements of AD Plastik d.d. and Consolidated Annual Financial Statements of AD Plastik Group for 2023, Annual report on the status of AD Plastik Group for 2023, and Report by the Supervisory Board on the performed supervision over the management of the business of AD Plastik Group for 2023
2. Decision on the issuance of approval to the Management Board for their work in 2023
3. Decision on the issuance of approval for work to the Supervisory Board members in 2023
4. Decision on the appointment of an auditor for 2024 and defining remuneration for their work
5. Decision on the use of the profit realized in 2023
6. Decision on approval of the Remuneration Report of Management and Supervisory Board Members for 2023
7. Decision on the approval of amendments to the Remuneration Policy of members of the Management Board of AD Plastik d.d.
8. Decision on the election of one member of the Supervisory Board

II Draft decisions:

The Management Board and the Supervisory Board have proposed, except for the Items 4, 7 and 8, and the Supervisory Board for Items 4, 7 and 8, the passing of the following decisions:

Ad 2 Approval to the Management Board for their work in 2023 has been issued.

Ad 3 Approval to the Supervisory Board members for their work in 2023 has been issued.

Ad 4 The decision on the appointment of an auditor for 2024 and defining remuneration for their work has been made as follows:

- I. The company KPMG Croatia, d.o.o., OIB: 20963249418, Zagreb, Ivana Lučića 2/a has been appointed as the auditor for 2024 for AD Plastik, d.d. Solin.
- II. Remuneration for the work of the auditor for 2024 shall be established by a special Contract between the Company and the auditor, in accordance with the valid Audit Act (Official Gazette No 127/17, 27/24);

Ad 5 The decision on the use of the profit realized in 2023 has been made as follows:

Profit of AD Plastik d.d. Solin (hereinafter: the Company), realized in 2023, after taxation amounts to EUR 1,039,559 and shall be allocated to the retained earnings of the Company.

Ad 6 The decision on approval of the Remuneration Report of Management and Supervisory Board Members for 2023 has been made as follows:

The audited Remuneration Report of Management and Supervisory Board Members for 2023 has been approved in the text published as Appendix 1 to the Invitation to the General Assembly, together with the auditor's report, which form an integral part of this Decision.

Ad 7 Decision on the approval of amendments to the Remuneration Policy of members of the Management Board of AD Plastik d.d. has been made as follows:

I. The draft amendments have been approved to the Remuneration Policy of members of the Management Board of AD Plastik d.d. which was approved by the decision of the General Assembly of shareholders dated July 15, 2021 (hereinafter: Remuneration Policy) in accordance with the determination of the Supervisory Board of the Company, in such a way that:

1) item 1 of the Remuneration Policy is amended to read:

"1 Introduction - basic principles and goals of the Remuneration Policy

The maximum amount of remuneration of the members of the Management Board and to what extent the remuneration contributes to the business strategy and long-term development of the company (Article 247a paragraph 1 points 1 and 2 of the Corporations Act)

The Company is a multinational company with eight production sites in five countries, whose operational activities extend to 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 align 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.

The total remuneration of a member of the Management Board for a particular year can amount to a maximum of the total fixed annual salary of an individual member of the Management Board, together with the annual variable remuneration (bonus), which in total can amount to a maximum of 200% of the annual gross salary earned in the year for which the variable remuneration is awarded, if the variable remuneration is paid in money, i.e. annual net salary if the variable remuneration is paid in Company shares, as well as other benefits, all as detailed in the following provisions of this Policy."

2) in the headings of points 2, 3, 4, 5, 6, 7 and 8 of the Remuneration Policy the words: "point 2 of the Corporations Act, point 3 of the Act, point 4 of the Corporations Act, point 5 of the Corporations Act, point 6 of the Corporations Act, point 7 of the Corporations Act, points 8 and 9 of the Act", are amended to read: "point 3 of the Corporations Act, point 4 of the Corporations Act, point 6 of the Corporations Act, point 7 of the Corporations Act, point 8 of the Corporations Act, point 9 of the Corporations Act, points 10 and 11 of the Corporations Act".

II. The revised text of the Remuneration Policy, which was published as an appendix 2 to the Invitation to the General Assembly, which forms an integral part of this Decision and which supersedes the previous text of the Remuneration Policy, has been approved.

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

Ad 8 The decision on the election of one member of the Supervisory Board has been made as follows:

Article 1

Mr. Ivica Tolić, OIB: 36637114938, law graduate, address: Split, Ruđera Boškovića 16, has been elected as a member of the Supervisory Board of AD Plastik d.d.

Article 2

The term of office of the elected member of the Supervisory Board starts on August 25, 2024, and lasts for 4 (four) years.

III Explanation of the draft decisions of the General Assembly:

Ad 1 Pursuant to the provision of Article 280a paragraph 1, item 2 of the Corporations Act, shareholders are hereby informed that pursuant to Article 300d of the Corporations Act and Article 29 of the Company Charter, the Management Board and the Supervisory Board have adopted the audited Annual Financial Statements of AD Plastik d.d. and Consolidated Annual Financial Statements of AD Plastik Group for 2023, therefore the General Assembly shall not decide upon these Statements. The Supervisory Board also accepted the Annual Report on the status of AD Plastik Group for 2023 and adopted the Report on the performed supervision over the management of the business of AD Plastik Group for 2023.

The aforementioned audited annual financial statements, together with the Annual Report on the status of AD Plastik Group for 2023 and the Report by the Supervisory Board on the performed supervision over the management of the business of AD Plastik Group for 2023 shall be submitted to the General Assembly, which shall not decide this item of the agenda.

Ad 2 Pursuant to Article 280, paragraph 3 of the Corporations Act, the Management Board and the Supervisory Board propose to the General Assembly to adopt a decision on granting approval (clearance) to the Management Board for their work in 2023.

Ad 3 Pursuant to Article 280, paragraph 3 of the Corporations Act, the Management Board and the Supervisory Board propose to the General Assembly to adopt a decision on granting approval (clearance) to the Supervisory Board members for their work in 2023.

Ad 4 Pursuant to Article 280, paragraph 3 of the Corporations Act, and adopting the recommendation of the Audit Committee of the Company dated May 29, 2024, the Supervisory Board proposes to the General Assembly to adopt a decision appointing the company KPMG Croatia d.o.o., OIB: 20963249418, Zagreb, Ivana Lučića 2/a as the Company's auditor for the business year 2024.

Ad 5 The Management Board and the Supervisory Board propose to the General Assembly to adopt a decision by which the Company's net profit generated in 2023 in the amount of EUR 1,039,559 shall be allocated to the retained earnings.

Ad 6 Pursuant to Article 272r of the Corporations Act, the Management Board and the Supervisory Board have prepared the Remuneration Report of Management and Supervisory Board Members paid during the previous year and forwarded it to the auditor for examination in accordance with the Act. Auditor of annual financial statements, company KPMG Croatia d.o.o., has examined the Report and issued its opinion on the compliance of the Report with the requirements specified in Article 272r paragraphs 1 and 2 of the

Corporations Act. The Remuneration Report, together with the Auditor's Report, has been published as Appendix 1 to the Invitation to this General Assembly.

Ad 7 At the meeting held on May 27, 2021, the Supervisory Board of the Company established the Management Board Members' Remuneration Policy (hereinafter: Remuneration Policy), which was subsequently approved at the General Shareholders' Assembly on July 15, 2021, all in accordance with Articles 247a and 267 of the Corporations Act (hereinafter: the Act).

The last amendments to the Act from 2023 (Official Gazette 130/2023) amended paragraph 1 of Article 247a of the Act in such a way that an additional element was prescribed that the Remuneration Policy should contain: the determination of the maximum amount of remuneration of the Management Board members.

The proposed amendment to the Remuneration Policy does not determine the new remuneration of the members of the Management Board, nor does it change the ranges of individual remuneration as already established in the previous text of the Remuneration Policy, but it is primarily about harmonizing it with the mentioned amendments to Article 247a paragraph 1 of the Act, i.e. it is proposed to supplement point 1 of the Remuneration Policy in such a way as to determine the total remuneration of a member of the Company's Management Board for a particular year, all as detailed in the Draft Decision.

Ad 8 Pursuant to Article 280, paragraph 3 of the Corporations Act, the Supervisory Board proposes to the General Assembly the re-election of the member of the Supervisory Board of AD Plastik d.d., Mr. Ivica Tolić, with the beginning of the term of office on August 25, 2024, ie after the expiration of his current term of office.

Mr. Ivica Tolić is law graduate with many years of business and managerial experience, primarily in the field of law affairs, human resources and corporate governance. The expert and professional competencies of this candidate, as well as his high moral integrity, have been significantly contributing to the achievement of guidelines and standards of expertise, adequacy, and diversity established by the Profile of the Supervisory Board of the Company.

The CV of this candidate, which describes in more detail his skills, knowledge, education, and experience that enable him to effectively perform the role of a member of the Supervisory Board, has been published on the Company's website www.adplastik.hr.

During the previous term, the appointed candidate regularly and actively participated in work of the meetings of the Supervisory Board and its committees, because of which the Supervisory Board during the last evaluation of its work positively assessed his competencies to perform tasks which, in accordance with the law, fall under the competence of the Supervisory Board and its committees, and concluded that the appointee contributed significantly to their work.

Mr. Ivica Tolić is not a member of supervisory boards or management committees in other companies, as well as in other supervisory bodies in the country and abroad.

IV In case the General Assembly is not held on July 18, 2024, because of lack of quorum or for other reasons, the next meeting of the General Assembly shall be held on the same day at 15,00 o'clock at the same place, and with the same agenda as stated in this Invitation.

V TOTAL NUMBER OF SHARES AND VOTING RIGHTS AT THE TIME OF CONVENING THE GENERAL ASSEMBLY:

The share capital of the Company is divided into a total of 4,199,584 ordinary registered shares, each of them in the nominal amount of EUR 13.00.

Each ordinary share gives the right to one vote at the General Assembly, except for the own (treasury) shares of the Company, i.e. the shares without voting right, which the Company had 38,428 at the time of the convening of the General Assembly. The total number of shares with voting right at the time of convening the General Assembly amounted to 4,161,156.

VI PREPOSITIONS FOR PARTICIPATION OF SHAREHOLDERS IN THE GENERAL ASSEMBLY AND USE OF THE VOTING RIGHT:

Only those shareholders, who at the beginning of the 21st day before the meeting of the General Assembly, i.e. on June 27, 2024 (Thursday) were registered in the Central Depository and Clearing Company Inc. as the owners of the Company shares, and who six days before the meeting of the General Assembly, at the latest, or on July 11, 2024 (Thursday), at the latest, registered their participation in the Assembly, in advance, in written form, with the Legal Department of the Company or with a public notary, whose official headquarters corresponds to the headquarters of the Company, are entitled to participate in the General Assembly and use their voting rights. Together with the registration for participation in the General Assembly and the use of the voting right, the shareholder must submit, in written form, proof of possessing a share at the beginning of the 21st day before the meeting of the General Assembly, issued by the Central Depository and Clearing Company Inc.

Data on the public notaries through whom the shareholders can register their participation in the Company Assembly are:

1.) Public notary Snježana Ludvajić, 21210 Solin, Kralja Zvonimira 75, Republic of Croatia, phone: +385-21-210-548, e-mail: notarludvajic@gmail.com ;

2.) Public notary Maja Radovani, 21210 Solin, Kralja Zvonimira 85, Republic of Croatia, phone/fax: +385-21-213-286, e-mail: javni.biljeznik.radovani.maja@gmail.com .

The use of the registration forms for participation in the General Assembly is recommended. The forms may be obtained with the Legal Department at the Company headquarters, and are also available on the website of the Company: www.adplastik.hr.

VII VOTING PROCEDURE BY WAY OF A PROXY:

Representatives and proxies of the shareholders, who have registered their participation in the manner and under the conditions described in Item VI of this Invitation, and who have proved their identity, may also participate in the General Assembly and use their voting rights, namely:

- representatives, based on an adequate document on representation, which is submitted to the Company as an original or as a certified copy, by way of the Legal Department, by the day when the General Assembly is held, at the latest;

- proxies, based on a proxy-granting form, in written form, which is submitted to the Company, by way of the Company's Legal Department, by the day when the General Assembly is held, at the latest. Apart from submission by direct handover or by mail, the proof of the appointment of a proxy (scan of the signed proxy-granting form) may also be sent electronically, by e-mail to the address: prijava@adplastik.hr.

The use of proxy-granting forms is recommended. The forms may be obtained with the Legal Department at the Company headquarters, and are also available on the website of the Company: www.adplastik.hr.

VIII INCLUSION OF NEW MATTERS IN THE AGENDA:

If the shareholders, who jointly possess shares to the amount of the twentieth part of the Company's share capital, request after the General Assembly has been convened for a matter to be included in the agenda of the General Assembly and to be announced, then explanations or draft decisions must be provided for every new matter included in the agenda.

The request for inclusion of a matter in the agenda must be received by the Company at least 30 days before the General Assembly is held. This period does not include the day when the request was received by the Company.

IX COUNTER-MOTIONS BY THE SHAREHOLDERS:

Counter-motions by the shareholders in relation to the draft decision provided by the Management Board and/or Supervisory Board regarding a certain item on the agenda must be available, under statement of their names and family names, explanations, and possibly the standpoint of the Management Board, to the persons mentioned in Article 281, paragraph 1 to 3 of the Corporations Act under the prepositions stated there if a shareholder submits their counter-motion to the Company at least 14 days before the General Assembly is held, at the address of the Company headquarters: AD Plastik d.d., 21210 Solin, Matoševa 8.

The day when the counter-motion is received by the Company shall not be included in this period of 14 days. The counter-motion shall be available on the website of the Company: www.adplastik.hr.

If a shareholder does not exert this right, the consequence shall not be the loss of the right to include the counter-motion at the General Assembly meeting.

The above said shall also be applied, in an appropriate manner, to the filing of a motion by the shareholders regarding the election of members of the Supervisory Board or appointment of an auditor. Such a motion needs not to be explained. The Management Board needs not to make the motion available to the shareholders if it does not contain any data, which must be announced with the motion for the election of members of the Supervisory Board and appointment of an auditor, and data on memberships of the persons proposed for election in supervisory boards, i.e. management committees of other companies, and other supervisory bodies at home and abroad.

X RIGHT TO BE INFORMED ABOUT THE COMPANY'S BUSINESS:

During the General Assembly, the Management Board must give every shareholder, at their request, information regarding the business of the Company, if this is necessary for the matters included in the agenda to be judged, in accordance with Article 287 of the Corporations Act.

XI NOTICES ON THE WEBSITE OF THE COMPANY:

Immediately after the announcement of the invitation to the General Assembly, the following shall be available on the website of the Company www.adplastik.hr:

- an invitation to the General Assembly of the Company, together with materials for the General Assembly foreseen by law,
- registration forms and proxy-granting forms for participation and casting votes at the General Assembly,
- the shareholders' request for a matter to be included in the General Assembly agenda (amendment of the agenda), which is received by the Company after the General Assembly has been convened.

XII The shareholders are entitled to review the materials for the General Assembly in the period from the day of the announcement of this Invitation until the day when the General Assembly is held, and with the Company's Legal Department, during working hours.

MANAGEMENT BOARD of AD PLASTIK d.d., Solin

Appendix 1

Independent limited assurance report on the Remuneration Report of AD Plastik d.d.





Independent limited assurance report on the Remuneration Report of AD Plastik d.d.

to the Management Board and the Supervisory Board of AD Plastik d.d.

We were engaged by the Management Board of AD Plastik d.d. (the "Company") to express limited assurance on the Remuneration Report for the year 2023 („Report“), attached as an appendix, in the form of a conclusion that, based on the procedures carried out and the evidence collected, nothing came to our attention to make us suspect that the attached Report is not prepared in accordance with the requirements specified in paragraphs 1 and 2 of Article 272r of the Corporations Act applicable in the Republic of Croatia.

Management Board and Supervisory Board responsibilities

Management Board and Supervisory Board are responsible for:

- the preparation of the Remuneration Report for 2023 in accordance with the requirements for publication set out in Article 272 r, paragraphs 1 and 2 of the Corporations Act;
- determination of individuals who will be included in the Remuneration Report in accordance with Article 272 r, paragraph 1 of the Corporations Act;
- selection and application of appropriate remuneration policies, as well as for making reasonable judgments and assessments in relation to the data published in the Remuneration Report;
- measurement of remuneration for the year ending December 31, 2023 in accordance with the provisions of Article 272 r, paragraphs 1 and 2 of the Corporations Act; and
- publication of the Remuneration Report on the Company's website in accordance with the provisions of Article 272 r, paragraph 4 of the Corporations Act.

Management Board is responsible for:

- designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Report that is free from material misstatement, whether due to fraud or error;
- measurement and reporting of remuneration in accordance with the Reporting Criteria;
- selecting and applying policies as well as making judgments and estimates that are reasonable in relation to the preparation of the Remuneration Report.

Our responsibility

Our responsibility is to examine the Remuneration Report and to report thereon in the form of an independent limited assurance report on the Remuneration Report based on the evidence obtained. We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3000 (amended) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB).

We have met the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including the International Standards of Independence) issued by the International Ethical Standards Board for Accountants (IESBA).



Independent limited assurance report on the Remuneration Report of AD Plastik d.d. (continuation)

We apply International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. The standard requires that we design, implement and enforce a quality management system, including policies and procedures related to compliance with ethical requirements and professional standards and with applicable legal and regulatory requirements.

The scope of a limited assurance engagement is significantly less than the scope of a reasonable assurance engagement with respect to risk assessment procedures, including an understanding of internal control and the procedures implemented in response to the assessed risks. The nature and extent of our procedures have been determined based on risk assessment and our professional judgment to express a limited assurance conclusion. Procedures included:

- enquiries,
- on the sample, a review of the relevant documentation,
- verification of compliance of the content of the Report according to the Applicable criteria.

Our engagement did not include an audit or review of the Remuneration Report or the related accounting and other records on the basis of which it was compiled.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Limitations in the preparation of the Remuneration Report

The interpretation of performance results is to some extent subjective because it takes into account both qualitative and quantitative aspects. Due to the inherent subjectivity in interpreting qualitative reward criteria, but also subjectivity applied in measuring quantitative goals (for example, related to measuring results for the year), different acceptable methodologies for measuring the achievement of individual goals are possible. Furthermore, various other estimates and judgments were used in the preparation of the Remuneration Report, including, but not limited to: compliance with the remuneration policy; the manner in which the members of the Management Board and the Supervisory Board support the long-term success of the Company and the manner in which the benchmarks for assessing that performance have been applied; an explanation of how workers' remuneration was taken into account in calculating average remuneration and what is the composition of workers included in that calculation.

Applicable criteria

The applicable criteria for determining the individuals who will be included in the Remuneration Report and the requirements related to the publication of their remuneration are contained in the provisions of Article 272 r, paragraphs 1 and 2 of the Corporations Act.

Statement of the Management Board and the Supervisory Board

The Management Board and the Supervisory Board of the Company state that the Remuneration Report for the year 2023 is accurate and complete and includes all required information as specified in provisions of paragraphs 1 and 2 of Article 272 r of the Corporations Act.



Independent limited assurance report on the Remuneration Report of AD Plastik d.d. (continuation)

Limited assurance conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Remuneration Report for the year 2023 is not prepared, in all material respects, in such a way as to contain information specified in provisions of the paragraphs 1 and 2 of Article 272 r of the Corporations Act.

This conclusion should be considered in context with the remainder of our limited assurance report, especially in context with the *Limitations in the preparation of the Remuneration Report and the Restrictions on the use of our report paragraphs*.

Restrictions on the use of our report

This report is intended solely for the purpose specified in Article 272 r of the Corporations Act. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company for our work, for this independent limited assurance report, or for the conclusions we have reached.

KPMG Croatia d.o.o. for audit

Croatian registered auditors
Eurotower, 17th floor
Ivana Lučića 2a
10000 Zagreb
Croatia

May 29, 2024

Domagoj Hrkać
*Member of the Management Board, Croatian
registered auditor*

AD Plastik d.d.

Joint-stock company
for automotive plastic components manufacturing

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



Remuneration Report of Management and Supervisory Board Members for 2023

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Pursuant to the provisions of Article 272 r of the Companies Act and the relevant provisions of the Corporate Governance Code of the Zagreb Stock Exchange d.d. and the Croatian Financial Services Supervisory Agency, the Management Board of the company AD Plastik d.d., headquartered in Solin, Matoševa 8, OIB: 48351740621 (hereinafter: the Company) at its meeting held on May 29, 2024, and the Supervisory Board of the Company at its meeting held on May 29, 2024, determined the following

**REMUNERATION REPORT
OF MANAGEMENT AND SUPERVISORY BOARD MEMBERS
FOR 2023**

1. Introduction

In 2023, the Company's revenue grew compared to 2022, which is primarily related to the growth of customer orders in the EU market due to the normalization of supply chains and purchase of semiconductors. However, the Company's business operations in 2023 were still characterized by uncertainty and the strong influence of external factors, primarily caused by the consequences of the Russian-Ukrainian crisis, which were particularly manifested in inflationary pressures on the costs of wages, materials and services, as well as in decrease in customer orders in the Russian market. The primary activities of the members of the Management Board and the Supervisory Board in 2023 were aimed at preserving financial stability and optimizing costs, reducing negative external factors and business sustainability with a focus on commercial and development activities through the continuation of sealing new deals and the realization of contracted development projects.

This Remuneration Report is based on the Companies Act, the Remuneration Policy of the Management Board Members, the Decision on the Remuneration of the Supervisory Board Members, internal acts, individual manager's contracts, and the Supervisory Board's decision dated May 24, 2022, by which the Supervisory Board deviated from the Remuneration Policy temporarily for 2021 and 2022, all for the reasons explained in detail in the Remuneration Report for 2022 available on the Company's website.

2. Management Board members

By the decision of the Supervisory Board of July 2, 2020, adopted in accordance with the provisions of the Company's Charter, the Company's Management Board was appointed 4 (four) members for the term of office of 5 (five) years.

Management Board members who held that position during 2023:

Table 1

Name and surname	Function	The period from - to
Marinko Došen	President of the Management Board	01 Jan 2023 – 31 Dec 2023
Mladen Peroš	Management Board Member	01 Jan 2023 – 31 Dec 2023
Zlatko Bogadi	Management Board Member	01 Jan 2023 – 31 Dec 2023
Josip Divić	Management Board Member	01 Jan 2023 – 31 Dec 2023

President and Management Board members are employed by the Company, and their remuneration is determined by individual manager's contracts in accordance with the Remuneration Policy and internal acts of the Company that apply to all employees of the Company (Collective Agreement of the Company and the Ordinance on salaries and other material rights of employees).

The remuneration of the President and the Management Board members of the Company is divided into three categories:

- *Fixed remuneration*: consists of the basic monthly salary expressed in its gross amount.
- *Other benefits*: form an integral part of fixed remuneration and relate to the rights from the individual manager's contract, namely: the cost of using a private vehicle for official and private purposes, and life insurance policy. Management Board members who do not reside at the seat of the employer have the right to cover the costs of housing and transportation within the defined limit. Management Board members are also entitled to appropriate awards, financial support, jubilee award for continued employment with the Company or its legal predecessors, food allowance, gift for a child, and salary compensation, all in terms of the provisions of the Collective Agreement of the Company or other general acts of the Company.
- *Variable remuneration*: is an award (bonus) that can be paid to the President and the Management Board members in accordance with the results achieved in the business year or depending on the realization of certain key business indicators determined by the individual manager's contracts.

2.1. Remuneration of the Management Board members in 2023

Management Board members in 2023 (regardless of the period to which the payment refers) were paid the following remuneration in gross I amount in EUR:

Table 2

Name and surname	Fixed remuneration annual gross I salary	%	Variable remuneration	%	Salary in kind (car, insurance, and other)	%	Non-taxable remuneration	%	Total remuneration	%
Marinko Došen	159.267,38 €	83,03%	0,00 €	0,00%	31.825,34 €	16,59%	735,88 €	0,38%	191.828,60 €	100,00%
Mladen Peroš	103.523,79 €	91,41%	0,00 €	0,00%	8.941,05 €	7,89%	785,89 €	0,69%	113.250,73 €	100,00%
Zlatko Bogadi	83.456,16 €	80,71%	0,00 €	0,00%	18.980,58 €	18,36%	962,88 €	0,93%	103.399,62 €	100,00%
Josip Divić	83.456,15 €	89,36%	0,00 €	0,00%	9.059,83 €	9,70%	876,82 €	0,94%	93.392,80 €	100,00%

Management Board members were paid a fixed remuneration (basic monthly salary) according to the manager's contract.

In 2023, Management Board members were not paid a variable remuneration (bonus) for 2022.

2.2. Remuneration of Management Board members in subsidiary companies of AD Plastik Group in 2023, and in the affiliated company EAPS

President of the Management Board, Mr. Marinko Došen, is also a member of the Management Committee of the affiliated company EAPS S.r.l. Romania and did not receive any remuneration on that basis.

Management Board member, Mr. Mladen Peroš, is also a member of the Management Committee of the affiliated company EAPS S.r.l. Romania, as well as the President of the Supervisory Board of the subsidiary ADP d.o.o. Mladenovac and did not receive any remuneration on that basis.

Management Board member, Mr. Zlatko Bogadi, is also a member of the Supervisory Board of the subsidiary AD Plastik Tizsa Kft. Hungary and did not receive any remuneration on that basis.

Management Board member, Mr. Josip Divić, is also a member of the Management Committee of the affiliated company EAPS S.r.l. Romania, as well as the member of the Supervisory Boards of the subsidiaries AD Plastik Tizsa Kft. Hungary and AO AD Plastik Togliatti, Russia and did not receive any remuneration on that basis.

2.3. Remuneration paid or obliged to be paid to the President / Management Board members in 2023 by a third party in connection with the tasks performed as the President / Management Board member

President / Management Board members have not been paid, nor is there an obligation to pay remuneration by third parties in connection with the tasks they perform as Management Board members of the Company.

2.4. Remuneration that the Company is obliged to pay in case of early termination of membership in the Management Board

Pursuant to individual manager's contracts, the Company has no obligation to pay remuneration to the Management Board members in case of termination of the term of office before the expiration of the term at their request or if the Supervisory Board decides to revoke them in accordance with positive legal regulations and conditions stated in individual manager's contract.

Exceptionally, if the Supervisory Board, considering all circumstances, decided to revoke a Management Board member because they did not achieve annual financial goals and there is no positive tendency to achieve key strategic goals of the Group, they are entitled to severance pay in the amount determined by individual manager's contract.

In 2023, there was no amendment to this provision.

2.5. Remuneration that the Company is obliged to pay in case of regular termination of membership in the Management Board

The amount of severance pay due to the President / Management Board members upon the termination of office is determined by individual manager's contracts.

In 2023, there was no amendment to this provision.

2.6. Remuneration paid or obliged to be paid by the Company to a former Management Board member whose membership in the Management Board ended in 2023

In 2023, the Company did not pay severance based on the termination of the term of office and the performance of the duty of a Management Board member.

2.7. Number of shares and share options given or obliged to be given by the Company

In accordance with individual manager's employment contracts, the decision on the payment of variable remuneration (bonus) is made by the Supervisory Board having in mind the degree and scope of achieving the goals defined by the manager's contract. The bonus for the year 2022 can be paid exclusively in Company shares, all in accordance with the decision of the Supervisory Board dated May 24, 2022. During 2023, variable remuneration was not paid in Company shares.

Payment of part of the variable remuneration in the Company shares contributes to achieving the Company's goals by giving Management Board members additional personal interest in the sustainable and development business of the Company, and Management Board members are additionally motivated to achieve annual and medium-term plan goals of the whole Group. After acquiring such shares, a Management Board member may not dispose of them for at least two years from the day they were allocated to them unless the Management Board membership of a Management Board member terminates within the specified period of two years.

Supervisory Board members are not entitled to the Company shares.

2.8. Returning variable parts of remuneration

Individual manager's contracts or internal acts of the Company do not stipulate returning variable part of the remuneration on any basis.

3. Supervisory Board

Supervisory Board members who performed that duty in 2023:

Table 3

Name and surname	Function	The period from - to
Sergey Dmitrievich Bodrunov	President, appointed a Supervisory Board member by the decision of the AO HAK of 20 July 2020	01 Jan 2023 – 31 Dec 2023
Ivica Tolić	Deputy President, re-elected a Supervisory Board member by the decision of the General Assembly of 24 Aug 2020	01 Jan 2023 – 31 Dec 2023
Ivka Bogdan	Member, elected by the decision of the General Assembly of 31 Jan 2019 Re-election Member, elected by the decision of the General Assembly of 14 July 2022	01 Jan 2023 – 31 Dec 2023
Bože Plazibat	Member, elected by the decision of the General Assembly of 31 Jan 2019 Re-election Member, elected by the decision of the General Assembly of 14 July 2022	01 Jan 2023 – 31 Dec 2023

Igor Anatolyevich Solomatin	Member, elected by the decision of the General Assembly of 11 July 2019 Re-election Member, elected by the decision of the General Assembly of 20 July 2023	01 Jan 2023 – 31 Dec 2023
Alina Viktorovna Koretskaya	Member, appointed by the decision of AO HAK of 20 July 2020	01 Jan 2023 – 31 Dec 2023
Andjelka Čulo	Member, employee representative appointed by the decision of the Workers' Council of 14 May 2020	01 Jan 2023 – 31 Dec 2023

On July 15, 2021, the General Assembly of the Company made a Decision on the Remuneration of the Supervisory Board Members by which the Supervisory Board members are entitled to a remuneration:

- a. The President of the Supervisory Board is entitled to a remuneration in the net amount of EUR 1,592.67;
- b. The Deputy President of the Supervisory Board is entitled to a remuneration in the net amount of EUR 1,327.23;
- c. Other Supervisory Board members are entitled to a remuneration in the net amount of EUR 1,061.78
- d. Supervisory Board members who are also members of one or more Supervisory Board committees are entitled to additional remuneration in the net amount of EUR 530.89 just as the other members of the Supervisory Board committees (remuneration per each meeting of the committees in which they participate).

Remuneration a, b, c is paid once a quarter, namely before the end of the last month in the respective quarter. Remuneration d is paid after the meeting of the committee.

3.1. Remuneration of the Supervisory Board members in 2023

Supervisory Board members in 2023 (regardless of the period to which the payment refers) were paid the following remuneration in gross I amount in EUR.

Table 4

Name and surname	Total paid Gross I in EUR
Sergey Dmitrievich Bodrunov	8,848.20 €
Ivica Tolić	13,023.28 €
Ivka Bogdan	6,128.64 €
Bože Plazibat	9,192.88 €
Igor Anatolyevich Solomatin	11,060.25 €
Alina Viktorovna Koretskaya	0.00 €
Andjelka Čulo	6,128.60 €
Total	54,381.85 €

Supervisory Board members were paid remuneration in accordance with the Decision of the General Assembly of July 15, 2021.

Supervisory Board members have not been paid, nor is there an obligation to pay remuneration by third parties in connection with the function/tasks they perform as the Supervisory Board members of the Company.

Remuneration to the Supervisory Board members does not include a variable component, therefore it is not affected by the Company's business results in the past or future period.

Supervisory Board members are not entitled to severance pay or additional payments from the Company or its subsidiaries/affiliates, nor do they participate in share allocation plans.

4. Comparative presentation of the revenue/profit trend of the Company and the remuneration of the Management Board and Supervisory Board members, and all employees in the last 5 years

Table 5

Name / year	2019	2020	2021	2022	2023
Total Company's revenue	147.002.961,05 €	115.689.177,25 €	98.932.186,08 €	81.869.646,16 €	94.448.605,00 €
Net profit / (loss) of the Company	10.721.777,16 €	9.109.115,40 €	2.168.655,78 €	-13.743.479,73 €	1.039.559,00 €
Average annual gross I remuneration per employee	14.603,13 €	14.685,80 €	14.875,96 €	16.220,16 €	18.758,83 €
Average annual gross I remuneration of the Management Board	144.148,93 €	122.538,32 €	213.012,25 €	133.187,83 €	125.467,94 €
Average annual gross I remuneration of the Supervisory Board	8.186,32 €	8.961,34 €	11.918,90 €	8.936,93 €	7.768,84 €

In the comparative presentation of trends in the last 5 (five) years, the total revenue and net profit of the Company are stated according to the realized in a particular year, as well as the remuneration of employees and the Management Board members.

The calculation of the average annual gross I remuneration per employee of the Company includes all fixed and variable parts of the salary of all employees excluding members of the Management Board in accordance with the Collective Agreement, the Ordinance on salaries and other material rights of employees, and the employment contract.

5. Other information (in accordance with the Article 57 of the Code)

In addition to the information prescribed by law, in accordance with the Article 57 of the Corporate Governance Code, it is stated:

- Supervisory Board members and the President / Management Board members did not receive any other payments from the Company or other companies of AD Plastik Group that are subject to consolidation in addition to the remuneration they received as a Supervisory Board member or the President / Management Board member, except this remuneration as the Supervisory Board members;

- employee representative in the Supervisory Board, Ms. Andjelka Čulo, is an employee of the Company and in addition to the award for work in the Supervisory Board, she also had a salary in accordance with the employment contract and the right to additional rights in accordance with the Collective Agreement and internal acts of the Company in the gross I amount of EUR 13,191.75.
- The Company and other companies of AD Plastik Group that are subject to consolidation did not provide any loans, advances, and guarantees in favor of the Supervisory Board members or President / Management Board members;
- Supervisory Board members, President / Management Board members did not receive any gifts, services, or other benefits of significant value;

6. Final provisions

The Remuneration Report was prepared in accordance with legal provisions and the Corporate Governance Code of the Zagreb Stock Exchange d.d. and HANFA.

The Management Board and the Supervisory Board submit this report to the General Assembly and propose its approval.



Marinko Došen

President of the Management Board



Sergey Dmitrievich Bodrunov

President of the Supervisory Board

Appendix 2

Revised text of the Remuneration Policy of members of the Management Board of AD Plastik d.d.



AD Plastik d.d.

Joint-stock company
for automotive plastic components manufacturing

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



REMUNERATION POLICY FOR MANAGEMENT BOARD MEMBERS

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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, 34/2022, 114/2022, 18/2023, 130/2023); 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 meeting of the Supervisory Board held on May 29, 2024, laid down the following:

REMUNERATION POLICY FOR MANAGEMENT BOARD MEMBERS

1. Introduction – starting points and objectives of the Remuneration Policy

The maximum amount of remuneration of the members of the Management Board and to what extent does remuneration contribute to the company's business strategy and long-term development (Article 247a, paragraph 1, item 1 and 2 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.

The total remuneration of a member of the Management Board for a particular year can amount to a maximum of the total fixed annual salary of an individual member of the Management Board, together with the annual variable remuneration (bonus), which in total can amount to a maximum of 200% of the annual gross salary earned in the year for which the variable remuneration is awarded, if the variable remuneration is paid in money, i.e. annual net salary if the variable remuneration is paid in Company shares, as well as other benefits, all as detailed in the following provisions of this Policy.

2. Fixed and variable parts of remuneration and their share in total remuneration (Article 247a, paragraph 1, item 3 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 4 of the CA)

- (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 6 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 7 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 8 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 9 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 10 and 11 of the CA)

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.

A large, stylized decorative swoosh in blue and yellow, mirroring the company logo, is positioned in the lower right quadrant of the page.

President of the Supervisory Board
Sergey Dmitrievich Bodrunov