



**ZAGREBAČKA
BURZA**

Zagreb Stock Exchange

Pursuant to Article 247(a) of the Companies Act (Official Gazette NN Nos 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15, 40/19 and 34/22), at its 55th meeting held on 26 April 2022, the Supervisory Board of the Zagreb Stock Exchange, Inc. determined the following

REMUNERATION POLICY FOR MANAGEMENT BOARD MEMBERS

Subject matter of the Policy

Article 1

This Remuneration policy for Zagreb Stock Exchange, Inc. Management Board Members (hereinafter: the Remuneration Policy) defines the following:

1. system of remuneration of Management Board Members;
2. procedure for the Remuneration Committee establishment;
3. tasks of the Remuneration Committee;
4. procedure for the adoption, implementation and amendments of this Policy;
5. terms of the existing contracts entered into between Management Board Members and the Company;
6. method of submitting reports on remuneration of the Company's Management and Supervisory Board for discussion by the Shareholder Assembly at the Annual General Meeting (AGM).

Definitions

Article 2

For the purposes of this Remuneration Policy, the following definitions shall apply:

Member of the Management Board – Member of the Zagreb Stock Exchange, Inc. Management Board;

Management Board Members – President and Member of the Management Board jointly;

Company or Exchange – the Zagreb Stock Exchange, Inc., Ivana Lučića 2a/22, Zagreb, ID No (OIB): 84368186611;

AGM – the Annual General Meeting of the Zagreb Stock Exchange, Inc. Shareholder Assembly;



**ZAGREBAČKA
BURZA**

Zagreb Stock Exchange

HANFA – the Croatian Financial Services Supervisory Agency;

Supervisory Board – the Supervisory Board of the Zagreb Stock Exchange, Inc.;

Committee – the Remuneration Committee;

President of the Management Board – President of the Zagreb Stock Exchange, Inc. Management Board;

Management Board – the Management Board of the Zagreb Stock Exchange, Inc.;

CA – the Companies Act (NN Nos 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15, 40/19 and 34/22).

Principles

Article 3

This Remuneration Policy is based on the following principles:

1. harmonisation of the remuneration of Management Board Members with the Company's business strategy and long-term development;
2. sustainability, balance between the job value, competences and experience, ensuring personal development and training, fostering an enabling environment, and attracting, motivating and keeping qualified professionals when determining remuneration;
3. correlation of payment of the variable element of remuneration to Management Board Members with performance indicators and results achieved, while discouraging risk-taking that exceeds the level of tolerated risk of the Company.

Remuneration Committee

Article 4

The Committee shall be established as a standing committee of the Supervisory Board whose tasks are defined in further detail in Article 6 of this Remuneration Policy.

The Committee shall consist of three (3) members to be appointed by the Supervisory Board from among its ranks at a meeting of the Supervisory Board.



ZAGREBAČKA
BURZA

Zagreb Stock Exchange

Committee members may have no conflict of interest in respect of Management Board Members.

The Committee shall elect a Committee chairperson from among its ranks.

The Committee shall adopt the Rules of Procedure to define in further detail the method of work and decision-making of the Committee.

With regard to the tasks defined by this Remuneration Policy, the Committee shall meet at least once a year.

In its work, the Committee may take into account the opinion of independent experts and consultants, especially in analysing and comparing remuneration paid by other exchanges in the region of the same or similar size and organisational structure.

The Committee may be supported by external experts and consultants, as well as by the organisational units of the Company in assessing the level of achievement of annual goals and payment of a variable element of salary to Management Board Members.

Mandate of Remuneration Committee members

Article 5

The mandate of Committee members shall commence on the day of the adoption by the Supervisory Board of a decision appointing them to the Committee and shall last until the end of their mandate as Supervisory Board members or until their Supervisory Board mandate is terminated by dismissal or resignation.

A Committee member may be reappointed, provided that they are re-elected or reappointed to the Exchange Supervisory Board.

If the mandate of a Committee member as Supervisory Board member ends by dismissal or resignation, the Supervisory Board shall promptly appoint a new Committee member instead.

In the event referred to in the preceding paragraph of this article, newly appointed Committee members shall discharge their duties as Committee members until the end of their mandate as Supervisory Board members or until their Supervisory Board mandate is terminated by dismissal or resignation.

Tasks of the Committee

Article 6

The tasks of the Committee shall be to:



**ZAGREBAČKA
BURZA**

Zagreb Stock Exchange

1. issue recommendations to the Supervisory Board with regard to defining fixed and variable elements of salary and other remuneration payable to Management Board Members;
2. consult and provide support to the Supervisory Board in drafting a new and/or amending the existing Remuneration Policy;
3. consult and provide support to the Supervisory Board in monitoring the implementation of the Remuneration Policy;
4. consult and provide support to the Supervisory Board in drafting the annual remuneration report;
5. review the appointment of external remuneration consultants who may be retained by the Supervisory Board, where necessary, for consultation or support;
6. analyse and periodically examine the Remuneration Policy and the very remuneration of Management Board Members;
7. propose amendments to the Policy to the Supervisory Board.

In performing its tasks, the Committee shall take into account:

1. the Exchange business strategy and long-term development;
2. criteria for workers' remuneration and working conditions of key personnel of the Exchange in particular;
3. shareholders' rights;
4. comparative data of other Exchanges in the region;
5. compliance with the conflict of interest management policy of the Zagreb Stock Exchange, Inc.

Contract with Management Board Members

Article 7

A contract with a Member of the Management Board (hereinafter: the Contract) defining the rights, including remuneration provisions, and obligations arising from the powers of each Management Board Member in the Management Board shall be concluded for a period of four (4) years.

A Contract of each Management Board Member shall become valid upon its approval by Hanfa.

Members of the Management Board shall have a permanent employment contract concluded with the Company.

The Contract may be terminated in accordance with legal provisions on a two months' notice, unless otherwise agreed by the parties.



ZAGREBAČKA
BURZA

Zagreb Stock Exchange

If the Contract is terminated by the Company, the Management Board Member shall be entitled to a severance pay equal to 6 (six) monthly (basic) gross salaries, except where the Management Board Member is dismissed by decision of the Supervisory Board for misconduct, as a relevant reason for dismissal.

Where the Contract is terminated unilaterally by the Company for reasons not arising from the conduct of the Management Board Member, or if the Contract is terminated unilaterally by the Management Board Member for reasons that may be construed as fault on the part of the Company, Management Board Members shall be entitled to a proportionate amount of the bonus (element of remuneration for the Company's business performance, as defined by the Contract) in respect of the calendar year in which their employment contract with the Company was terminated, calculated according to the number of full months worked in that calendar year, provided that goals for the period ending with the month referred to in the latest monthly management report of the Company have been met.

Remuneration of Management Board Members

Article 8

Remuneration of Management Board Members is defined in a sustainable and transparent manner and, as such, it is aimed at supporting the long-term business strategy of the Company.

The structure of the remuneration payable to Management Board Members shall ensure a balance between fixed and variable remuneration, where the fixed element of remuneration (basic salary) shall be defined by the Contract in gross terms and the variable element of remuneration (bonus) shall be related to the work performance and achievement of goals set in the Company's annual plan.

Management Board Members shall receive part of the remuneration in the form of goods, services and rights of monetary value, as defined by the Contract (other remuneration, or remuneration in kind).

Types of remuneration

Article 9

The overall remuneration of Management Board Members shall consist of:

1. a fixed element of remuneration (basic salary);
2. a variable element of remuneration (bonus);
3. other remuneration (remuneration in kind).



ZAGREBAČKA
BURZA

Zagreb Stock Exchange

Fixed element of remuneration (basic salary)

Article 10

The amount of the fixed element of remuneration payable to Management Board Members shall be defined as a monthly gross amount, in accordance with Article 3 of this Policy.

The fixed element of remuneration (basic salary) payable to Management Board Members is a fixed element of remuneration defined by the contract that the Company, represented by the Supervisory Board, enters into with the Management Board Members.

The fixed element of remuneration does not depend on work performance or on achieving the set goals nor may it be reduced or revoked unilaterally by the Company.

Variable element of remuneration (bonus)

Article 11

The amount of the variable element of remuneration (bonus) shall be based on performance in terms of the Company's key financial indicators at annual level and qualitative (non-financial) business performance at a strategic, operational and technical level, with respect to the development and implementation of new products and services, the promotion and development of the capital market, the training of issuers, member firms and the wider investment public (hereinafter: key performance indicators).

Management Board Members shall be entitled to a variable element of remuneration for a particular financial year, subject to the following conditions:

- at least positive net business result of the Company has been reached,
- at least positive net business result of the Group has been reached,
- at least 90% of the Company's consolidated EBITDA target for the financial year has been reached;
- at least 75% of the strategic objectives planned for the financial year have been achieved;
- the Management Board Member has been employed by the Company for at least two-thirds of the financial year in question, as well as on 31 December of financial year concerned.

The assessment of key performance indicators shall be based on consolidated financial results of the Company in a particular financial year and on the assessment of non-financial performance by an independent partner, auditor, internal auditor or the Remuneration Committee.



ZAGREBAČKA
BURZA

Zagreb Stock Exchange

The variable element of remuneration shall constitute at least 15% and no more than 55% of the annual net salary received.

In the event that 100% of the key indicators is met in the manner described in the second paragraph of this article, the Management Board Member shall be entitled to a variable element of remuneration equal to 15% of their annual net salary.

If more than 100% of the key indicators is met, the Remuneration Committee shall propose to the Supervisory Board a higher amount of the variable element of remuneration for the Management Board Member than that referred to in the previous paragraph but not in excess of 55% of their annual net salary.

Method of payment of the variable element of remuneration (bonus)

Article 12

Members of the Management Board shall be entitled to receive the variable element of remuneration (bonus) in the following manner:

- At least 33% of the realized variable part of the remuneration for a certain Member of the Management Board can be paid in cash. Such remuneration are paid after the Supervisory Board of the Company approves the audited annual financial statements for the respective business year, and no later than 15 May of the current year.
- A maximum of 67% of the realized variable part of the remuneration for a certain Member of the Management Board can be paid by in Company shares. Such remuneration shall be paid in shares of the Company with a retention period of at least one year from the date of transfer of shares to the account of a member of the Management Board.

The number of shares assigned to Management Board Members as part of the share scheme shall be determined according to the (weighted) average share price at the Zagreb Stock Exchange, Inc. on the day preceding the approval date.

Article 13

The payment of variable salary elements as a whole must not limit the Company's ability to strengthen its capital base and liquidity.



**ZAGREBAČKA
BURZA**

Zagreb Stock Exchange

Defining the variable element of the remuneration of Management Board Members shall be aimed at meeting the business strategy goals and adjusted to the risk profile of the Company's business and its ability to take on risks.

Variable remuneration provides an incentive for cautious long-term risk assumption and sound risk management.

Other remuneration (remuneration in kind)

Article 14

Management Board Members shall be entitled to a number of additional arrangements deemed to constitute remuneration in kind.

Such remuneration shall include reimbursement of the costs relating to the full-day use of a car appropriate to the business they conduct for both official and private purposes. All costs of maintenance and fuel, as well as car registration and insurance shall be covered by the Company.

Furthermore, the Company shall make the following technical equipment available to Management Board Members for full-day use:

- a mobile phone and/or a smartphone and a tablet;
- a laptop with a Home Office package and broadband internet services provided;
- a corporate credit card.

The Company shall cover the costs related to the use of the laptop, mobile phone / smartphone, tablet and corporate card.

Management Board Members shall also have the right, in accordance with applicable regulations, to a refund from the Company for any other expenses and/or indemnities related to their job or necessary to fulfil their duties and discharge the powers they have as Management Board Members, for instance, business travel at home and abroad, membership of professional associations, literature in their own or a foreign language, participation in professional conferences, visits to fairs and exhibitions. In each calendar year, Management Board Members shall be entitled to professional training of at least 20 days at the expense of the Company and in accordance with its business plan.

Management Board Members shall be entitled to a health insurance, as well as a management liability insurance policy.



**ZAGREBAČKA
BURZA**

Zagreb Stock Exchange

Other content of Management Board Member contracts

Article 15

Contracts concluded with Management Board Members shall also include the following provisions:

- obligation of professional secrecy: Management Board Members shall be bound by indefinite professional secrecy in respect of the Company, both during the term of the contract and after its termination, irrespective of the reasons for termination of the;
- non-competition clause: Management Board Members may not compete with the Company for a period of one year following the date of termination of their employment; in the event of failure to comply with the non-competition clause, the Member of the Management Board shall be required to pay a contractual penalty the Company equal to 6 (six) average monthly gross salaries paid to the Management Board Member in the 3 (three) months prior to the termination of this Contract; for the duration of the non-competition obligation, the Company shall undertake to pay to the Management Board Member a compensation equal to the average gross salary paid to the Management Board Member in the last 3 (three) months prior to the termination of the Contract; the Company shall be released from the obligation to pay compensation if it notifies its renouncement of the non-competition clause to the Management Board Member in writing;
- prohibition of participation of Management Board Members, either directly or indirectly, in the ownership and/or management structure of any company which is a competitor or the Company and its affiliated companies;
- Management Board Members may perform activities other than those performed for the Company or its affiliated companies, whether remunerated or not, including membership of supervisory boards, advisory bodies, etc. only subject to prior approval of the Company's Supervisory Board.

Deviations from the Remuneration Policy

Article 16

The Supervisory Board may only deviate from the Remuneration Policy temporarily where necessary for the long-term benefit of the Company or if there are reasons due to which non-compliance with the Policy would cause significant damage to the Company. Such deviation may relate solely to the variable element of remuneration payable to Management Board Members. In such event, a Supervisory Board decision on deviation from the Policy shall be subject to prior consultation with the Remuneration Committee.

The Company is authorised to seek repayment from Management Board Members of the remuneration paid to them, contrary to what has been defined in this Policy.



**ZAGREBAČKA
BURZA**

Zagreb Stock Exchange

This Policy shall in no way affect the application of the mandatory provisions of applicable regulations, such as the Companies Act, which regulates the matter of compensation provided to the management board members of companies whose shares are admitted to trading on the regulated market.

Article 17

Where there is a conflict of the rights of Management Board Members with regard to their remuneration as defined in this Policy and their rights defined by the Contracts, the rights defined by the Contracts shall prevail and apply.

In the event that Management Board Members agree, temporarily or permanently, fully or partially, to renounce their contractual rights, other rights defined by this Policy shall be applicable to the Management Board Members.

Remuneration report

Article 18

Once a year, the Management Board and the Supervisory Board shall prepare a report on remuneration that the Company or another company of the Group has paid or undertaken to pay to each current or former member of the Management or Supervisory Board over the past financial year and submit such report for discussion as a separate item on the agenda of the AGM.

The remuneration report shall be reviewed by the auditor undertaking an audit of annual financial statements of the Company who shall also prepare a report on the review of the remuneration report. That report shall be enclosed to the remuneration report.

The Company shall disclose and make available on its website free of charge for a period of 10 years the remuneration report and the report on the review of the remuneration report after an AGM at which the remuneration report has been submitted for discussion at that AGM.

The remuneration report must not contain data concerning the family circumstances of individual members of the Management and Supervisory Board.

The Company shall remove from the remuneration report any personal data made available via the Company's website on expiry of the time limit referred to in the provision of the third paragraph of this article.



**ZAGREBAČKA
BURZA**

Zagreb Stock Exchange

The remuneration report need not contain data which, according to reasonable business judgement, may cause significant damage to the Company. If the reasons causing certain data to be omitted from the remuneration reports disclosed later cease to exist, such data will be reintroduced in the remuneration report for the very next financial year.

Adoption of the Remuneration Policy

Article 19

This Remuneration Policy shall be defined by the Supervisory Board and submitted for approval by the Shareholder Assembly at the AGM.

Should this Remuneration Policy not be approved by the Shareholder Assembly, the Supervisory Board shall review it and present it for approval at the next AGM.

The Supervisory Board shall present this Remuneration Policy for approval by the Shareholder Assembly at least once every four years from the date of its first adoption or where a change in circumstances requires the adoption of a new Remuneration Policy.

The AGM decision and the Remuneration Policy approved shall be disclosed and made available free of charge on the Company's website for a period of at least 10 years immediately after the AGM, with an indication of the date by which they are to remain in effect.

Validity and entry into force

Article 20

This Remuneration Policy has been defined for the period 2022–2026.

This Policy has been prepared in Croatian and English. In case of a conflict between the Croatian and the English version of this Policy, the version in Croatian shall prevail.

This Policy shall enter into force on the date of its approval by the Shareholder Assembly at the AGM.

Chairman of the Supervisory Board

Matko Maravić