

INDEPENDENT LIMITED ASSURANCE REPORT ON THE REMUNERATION REPORT FOR THE YEAR 2021

To the Management and Supervisory Board of Zagrebačka burza d.d.

We were engaged by the Management Board of the company Zagrebačka burza d.d. (“the Company”) to, in accordance with the provisions of Article 272.r (3) of the Companies Act, conduct a limited assurance engagement for the accompanying Remuneration report for the year ended 31 December 2021 (“Remuneration report”) prepared by the Management and Supervisory Board of the Company.

Our task is to, based on procedures conducted and evidence obtained, provide a conclusion in the form of an independent limited assurance report on the examined Remuneration report.

Subject matter

Pursuant to the provisions of Article 272.r (3) of the Companies Act and the contract concluded with the Company, we conducted a limited assurance engagement for the accompanying Remuneration report for the year ended 31 December 2021 (“Remuneration report”) prepared by the Management and Supervisory Board of the Company.

Applicable criteria

The applicable criteria for determining individuals to be included in the Remuneration report and requirements concerning the disclosure thereof have been defined in the provisions of Article 272.r (1) and (2) of the Companies Act.

Responsibilities of the Management Board and Supervisory Board

The Management and Supervisory Board are responsible for:

- Preparing the Remuneration report for the year 2021 in line with disclosure requirements defined in Article 272.r (1) and (2) of the Companies Act;
- Determining individuals to be included in the Remuneration report in line with Article 272.r (1) of the Companies Act;
- Selecting and then applying relevant remuneration policies, as well as adopting reasonable judgements and estimates in relation to data disclosed in the Remuneration report;
- Measuring remuneration for the year ended 31 December 2021 in line with the provisions of Article 272.r (1) and (2) of the Companies Act; and
- Publishing the Remuneration report on the Company website in line with the provisions of Article 272.r (4) of the Companies Act.

The Management Board of the Company is responsible for the design, implementation and maintenance of internal control systems ensuring to a reasonable extent that the previously described data contain no material misstatements, whether due to fraud or error. In addition, the Management and Supervisory Board of the Company are required to secure the completeness and accuracy of the documentation delivered.

The company was registered at Zagreb Commercial Court: MBS 030022053; paid-in initial capital: Kn 44,900.00; Company Directors: Marina Tonžetić, Dražen Nimčević, Katarina Kadunc; Bank: Privredna banka Zagreb d.d., Radnička cesta 50, 10 000 Zagreb, bank account no. 2340009–1110098294; SWIFT Code: PBZGHR2X IBAN: HR3823400091110098294.

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INDEPENDENT LIMITED ASSURANCE REPORT ON THE REMUNERATION REPORT FOR THE YEAR 2021 (CONTINUED)

Our responsibilities

We have completed our assurance engagement in line with Article 272.r (3) of the Companies Act and in line with the International Standard for Assurance Engagements (ISAE) 3000 – *Assurance Engagements other than Audits or Reviews of Historical Financial Information (Revised)*. This regulation requires us to meet the relevant ethical standards and plan and perform our engagement in a way that enables us to use evidence obtained to form our conclusion on whether the report contains information stipulated in the relevant legal requirements.

Quality assurance

We apply the International Standard on Quality Control (ISQC 1) and accordingly maintain an overall management control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and statutory requirements.

We comply with the applicable independence and other ethical requirements of the Code of Ethics for Professional Accountants, defining the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Summary of the work performed

The nature and scope of our actions were determined based on a risk assessment and our professional judgement with the purpose of obtaining limited assurance.

With reference to the engagement subject, we conducted the following procedures:

- We made enquiries to the members of the Management Board, Supervisory Board, and other Company staff in order to gain an understanding of remuneration policies and the Remuneration report preparation procedure;
- We obtained from the Company a list of all Management and Supervisory Board members in 2021 and verified whether their remuneration had been disclosed in the Remuneration report;
- We adjusted the remuneration data from the Remuneration report with the accounting records of the Company (general and special ledgers) for the year ended 31 December 2021;
- We examined the relevant Company documentation (contracts and remuneration) concerning remuneration data disclosed in the Remuneration report; and
- We verified whether the Remuneration report included all data required by the provisions of Article 272.r (1) and (2) of the Companies Act.

The scope of the limited assurance engagement is substantially smaller than the scope of the reasonable assurance engagement in terms of risk assessment procedures, including the understanding of internal controls and procedures implemented in response to the assessed risks.

We believe that the obtained evidence is sufficient and appropriate to provide an adequate basis for our limited conclusion

INDEPENDENT LIMITED ASSURANCE REPORT ON THE REMUNERATION REPORT FOR THE YEAR 2021 (CONTINUED)

Limited assurance conclusion

Based on the procedures conducted and evidence obtained, nothing caused us to believe that the Remuneration report for the year 2021 prepared by the company Zagrebačka burza d.d. did not contain data, in all material aspects, stipulated in Article 272.r (1) and (2) of the Companies Act.

Limitations on the use of our Report

Our report is intended solely for the Management and Supervisory Board of the Company for the purpose of reporting on the Remuneration report prepared by the Company for the year ended 31 December 2021 in line with Article 272.r of the Companies Act. We allow the publication of this report on the Company website in line with the provisions of Article 272.r (4) of the Companies Act. Our report is not, nor does it constitute, a legal opinion on the compliance with Article 272.r (4) of the Companies Act.

In the event of additional information or data that were made available or accessible to us, or erroneous or misleading oral or written representations and explanations, our findings, interpretations, or opinions in our limited assurance report might be incomplete or may result in the need for additional procedures that do not belong in the scope of this engagement.

To the greatest extent permitted by law, we do not accept or agree to any liability to any other party, except to the Management and Supervisory Board of the Company, with regard to our work or this independent limited assurance report or the conclusions we made.

The Management and Supervisory Board are responsible for publishing the Remuneration report on the Company website, as well as data accuracy. The scope of our work does not entail the review of data and we accept no responsibility for any amendments to the Remuneration report based on the Independent limited assurance report or any differences between the report we issued and the data disclosed on the Company website.

Marina Tonžetić
Director

For signatures, please refer to the original Croatian auditor's report, which prevails.

Goran Končar
Certified auditor

Deloitte d.o.o.

26 April 2022
Radnička cesta 80
10 000 Zagreb
Republic of Croatia



ZAGREBAČKA
BURZA

Zagreb Stock Exchange

Pursuant to Article 272r 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), on 26 April 2022, the Management and the Supervisory Board of the Zagreb Stock Exchange prepared the following

**Remuneration Report
for Zagreb Stock Exchange, Inc. Management and Supervisory Board Members for
2021**

1. FIXED AND VARIABLE ELEMENTS OF REMUNERATION FOR 2021

1.1. ZAGREB STOCK EXCHANGE, INC. MANAGEMENT BOARD

In 2021, the remuneration paid to the Company's Management Board President Ivana Gažić totalled a gross II HRK 1.058.318 of which HRK 860.818 is the fixed element of remuneration and HRK 197.500 the variable element of remuneration. The fixed element represents 81,34% and the variable element 18,66% of remuneration.

In 2021, the remuneration paid to the Company's Management Board Member Tomislav Gračan totalled a gross II HRK 910.991 of which HRK 778.166 is the fixed element of remuneration and HRK 132.825 the variable element of remuneration. The fixed element represents 85,42% and the variable element 14,58% of remuneration.

For Management Board President Ivana Gažić voluntary health insurance policy was agreed with an annual premium of HRK 3,786.

For Management Board Member Tomislav Gračan voluntary health insurance policy was agreed with an annual premium of HRK 3,786.

The Company's Management Board also had a management liability insurance policy issued in 2021, with the insurance cover of EUR 1 million.

Other remuneration included the right to the use of the company car, mobile telephone and laptop, which was exercised by both Management Board members.

The remuneration of the Company's Management Board members in 2021 were in compliance with the Remuneration Policy for Zagreb Stock Exchange, Inc. Management Board Members, determined by the Supervisory Board at its meeting held on 25 May 2020 and approved by the Company's Shareholder Assembly at an Annual General Meeting (AGM) held on 6 July 2020.



The remuneration of Management Board Members has been defined with a view to supporting long-term performance of the Company as a universal, highly reliable and innovative exchange that contributes to creating a firm pillar and development hub for investors, the economy and society as a whole.

1.2. ZAGREB STOCK EXCHANGE, Inc. SUPERVISORY BOARD

The following members of the Zagreb Stock Exchange, Inc. Supervisory Board: Borislav Centner, Tomislav Jakšić, Matko Maravić, Ivan Sardelić and Enrique Bernardo Mariano, as well as Ivan Tadin and Mislav Ante Omazić (whose Supervisory Board mandate ended on 23 February 2021) and Dražen Čović and Silvije Orsag (whose Supervisory Board mandate started on 24 February 2021) had no remuneration paid to them for their work in 2021.

2. OVERVIEW OF ANNUAL CHANGES IN REMUNERATION, INCOME AND PROFIT OF THE COMPANY AND AVERAGE REMUNERATION OF FULL-TIME EMPLOYEES FOR THE PAST FIVE FINANCIAL YEARS

In the financial year 2021, the Zagreb Stock Exchange, Inc. had total income of HRK 15.113 th. and HRK 873 th. in pre-tax profit. There were no changes to the remuneration paid to members of the Zagreb Stock Exchange Management Board during 2021.

The ratio of average remuneration of Zagreb Stock Exchange, Inc. Management Board members and full-time employee in 2021 was 1:2,46.

The overview below shows the average income of employees of the Zagreb Stock Exchange, Inc., fixed and variable, full-time employees for the last five business years in relation to income and net profit or loss of the Company in that period.

Annual receipts per employee - HRK (in thousand HRK)	2021	2020	2019	2018	2017
Annual basis (gross II)	262	278	254	248	273

Zagrebačka burza (in thousand HRK)	2021	2020	2019	2018	2017
Total income*	15.512	15.341	16.105	14.857	14.574
Net profit/(loss)	873	1.875	1.195	1.310	(3.753)

*Including financial income





3. NUMBER OF SHARES AND SHARE OPTIONS ISSUED OR UNDERTAKEN TO BE ISSUED BY THE COMPANY TO MANAGEMENT AND SUPERVISORY BOARD MEMBERS

The remuneration system applicable to the Management Board President includes the right to acquire up to 1% shares in the Zagreb Stock Exchange, Inc. under a share option plan at a predefined fixed price of HRK 14,20 per share in a defined time limit. The option may be exercised in October 2020 at the earliest.

Neither the Management Board Member nor members of the Supervisory Board have the right to Zagreb Stock Exchange, Inc. shares.

4. REPAYMENT OF VARIABLE ELEMENTS OF REMUNERATION

The repayment of variable elements of remuneration of Management Board members is not foreseen nor has it been agreed.

5. REMUNERATION PAID OR UNDERTAKEN TO BE PAID TO MANAGEMENT BOARD MEMBERS IN 2021 BY A THIRD PARTY IN RESPECT OF WORK DONE AS A SUPERVISORY BOARD MEMBER

Members of the Management Board in the capacity of members of the Ljubljana Stock Exchange, Inc. Supervisory Board were entitled to remuneration for their work on the Supervisory Board as a one-time amount payable if the Ljubljana Stock Exchange, Inc. generates a profit for the financial year.

In 2021, the remuneration paid to the Management Board President as the Chairperson of the Ljubljana Stock Exchange, Inc. Supervisory Board for her work on the Ljubljana Stock Exchange, Inc. Supervisory Board was EUR 1,800 gross.

In 2021, the remuneration paid to the Management Board Member for his work as a member of the Ljubljana Stock Exchange, Inc. Supervisory Board was EUR 1,500 gross.

In 2021, the remuneration paid to the Management Board President for her work as a member of the Macedonian Stock Exchange, Inc. Supervisory Board was EUR 1,626 gross.

6. REMUNERATION PAID OR UNDERTAKEN TO BE PAID TO MANAGEMENT BOARD MEMBERS IN 2021 BY A THIRD PARTY IN RESPECT OF WORK DONE AS MANAGEMENT BOARD MEMBER

There were no remuneration paid or undertaken to be paid to Management Board members in 2021 by a third party in respect of work done as Management Board member.



7. REMUNERATION UNDERTAKEN TO BE PAID BY THE ZAGREB STOCK EXCHANGE, INC. TO THE MANAGEMENT BOARD MEMBER IN THE EVENT OF EARLY TERMINATION OF MANAGEMENT BOARD MEMBERSHIP

If the contract for the performance of duties of the Management Board or the employment contract of the Management Board member is terminated by the Zagreb Stock Exchange, Inc., Management Board members are entitled to severance pay equal to 6 (six) monthly (basic) gross salaries, except where they are dismissed by decision of the Supervisory Board for misconduct, as a relevant reason for dismissal.

There were no payments to members of the Management Board for early termination of their Management Board membership or amended terms of such payment in 2021.

8. REMUNERATION UNDERTAKEN TO BE PAID BY THE ZAGREB STOCK EXCHANGE, INC. TO THE MANAGEMENT BOARD MEMBER IN THE EVENT OF REGULAR TERMINATION OF MANAGEMENT BOARD MEMBERSHIP

No obligations were undertaken by the Zagreb Stock Exchange, Inc. under the contract for the performance of duties of the Management Board member or under the employment contract of the Management Board member to pay remuneration to its Management Board members in the event of regular termination of their membership of the Management Board.

There were no changes to such arrangements in the course of 2021.

9. REMUNERATION UNDERTAKEN TO BE PAID BY THE ZAGREB STOCK EXCHANGE, INC. IN RESPECT OF TERMINATION OF MANAGEMENT BOARD MEMBERSHIP TO A FORMER MEMBER OF THE MANAGEMENT BOARD WHOSE MEMBERSHIP EXPIRED IN 2021

There was no termination of membership of the Zagreb Stock Exchange Management Board in the course of 2021.

10. CONCLUSION

Remuneration policy for Zagreb Stock Exchange, Inc. Management Board Members was presented for approval by the Company's Shareholder Assembly (AGM) on 6 July, 2020.

This Remuneration Report for Zagreb Stock Exchange, Inc. Management and Supervisory Board Members for 2021, together with the auditor's report on the Report audit, will be submitted by the Management and Supervisory Board of the Zagreb Stock Exchange, Inc., in accordance with the provision of Article 276a (5) of the Companies Act, for discussion by the Shareholder Assembly of the Zagreb Stock Exchange, Inc. as a separate item on the agenda of the AGM.



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Zagreb Stock Exchange

This Remuneration Report for Zagreb Stock Exchange, Inc. Management and Supervisory Board Members for 2021, together with the auditor's report on the Remuneration Report audit, will be published by the Zagreb Stock Exchange, Inc. and made available free of charge on its website for a period of 10 years after its submission for discussion at the AGM.

Ivana Gažić
President of the Management Board



ZAGREBAČKA BURZA d.d.
Zagreb

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Matko Maravić
Chairman of the Supervisory Board

Tomislav Gračan
Member of the Management Board

