

ZAGREBAČKA BURZA D.D.

**MANAGEMENT BOARD AND SUPERVISORY BORD
REMUNERATION REPORT FOR 2022**



Independent limited assurance report on the Remuneration Report for the year 2022

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

Subject matter

Pursuant to the provisions of Article 272r item 3 of the Companies Act and the contract concluded with Zagrebačka burza d.d. (the "Company"), we performed a limited assurance engagement of the accompanying Remuneration Report for Zagreb Stock Exchange, Inc. Management and Supervisory Board Members for the year ended 31 December 2022 (the "Remuneration Report") prepared by the Company's Management Board.

Reporting criteria

The applicable reporting criteria for identifying the individuals to be included in the Remuneration Report and the disclosure requirements of their remuneration are contained in the provisions of Article 272r items 1 and 2 of the Companies Act.

Management and Supervisory Board's responsibilities

The Company's Management Board and the Supervisory Board are responsible for:

- preparing the Remuneration Report for the year 2022 in accordance with disclosure requirements of Article 272r items 1 and 2 of the Companies Act,
- identifying the individuals to be included in the Remuneration Report in accordance with Article 272r item 1 of the Companies Act,
- selecting and applying appropriate remuneration policies as well as making judgments and estimates that are reasonable in relation to the information disclosed in the Remuneration Report,
- measurement of remuneration for the year ended 31 December 2022 in accordance with provisions of Article 272r items 1 and 2 of the Companies Act, and
- publishing the Remuneration Report on the Company's website in accordance with provisions of Article 272r item 4.

The Company's Management Board is also responsible for maintaining an internal control system that provides limited assurance that the information described above is free from material misstatement, whether due to fraud or error.

Our responsibilities

Our responsibility is to report on the Remuneration Report in accordance with the requirements of Article 272r item 3 of the Companies Act. We performed a limited assurance engagement in accordance with International Standards on Assurance Engagements 3000 (Revised) - *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

PricewaterhouseCoopers d.o.o., Heinzelova 70, 10000 Zagreb, Croatia
T: +385 (1) 6328 888, F: +385 (1) 6111 556, www.pwc.hr

Commercial Court in Zagreb, no. Tt-99/7257-2, Reg. No.: 080238978; Company ID No.: 81744835353; Founding capital: HRK 1,810,000.00 (EUR 240,228.28), paid in full; Management Board: J. M. Gasparac, President; S. Dusic, Member; T. Macasovic, Member; Banking account: Raiffeisenbank Austria d.d., Magazinska 69, Zagreb, IBAN: HR8124840081105514875.



Our independence and quality control

We apply International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Federation of Accountants, based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of the work performed

We have performed the following procedures regarding the subject matter:

- we inquired of members of Management, Supervisory Board and other persons within the Company to gain understanding of the remuneration policies and the process applied in preparing the Remuneration Report;
- we received from the Company a list of all members of the Management and Supervisory Boards during 2022 and checked whether their remuneration is disclosed in the Remuneration Report;
- we reconciled the remuneration information presented in the Remuneration Report with the Company's accounting records (general ledger and subledgers) for the year ended 31 December 2022;
- we reviewed, on a sample basis, the relevant documentation (contracts and payments) related to the remuneration information presented in the Remuneration Report; and
- we checked whether the Remuneration Report contains all the information required by provisions of Article 272r items 1 and 2 of the Companies Act.

The nature and extent of our procedures were determined based on our risk assessment and our professional judgment in order to obtain limited assurance.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

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

Limited assurance conclusion

Based on our work performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Remuneration Report for the year ended 31 December 2022 is not prepared in accordance with the requirements specified in Article 272r items 1 and 2 of the Companies Act.

Restriction of distribution and use

This report has been prepared solely for the Management Board in accordance with the agreement between us, to assist the Company in reporting the Remuneration Report, and is intended solely for the purposes specified in Article 272r item 3 of the Companies Act. We permit this report to be disclosed in the Company's web page in accordance with Article 272r item 4 of the Companies Act. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's Management Board for our work or this report, except where such terms are expressly agreed in writing.



In addition, based on the procedures performed and described above, this is a limited assurance report and it is not, nor is it intended to be, a legal opinion on the Company's compliance with Article 272r items 1 and 2 of the Companies Act.

The Company's Management Board is responsible for placing the Remuneration Report on the Company's web-site and for accuracy of such information. The scope of our performed work does not include reviewing these matters; consequently, we do not assume any responsibility for any amendments that might have been made to the Remuneration Report underlying this Independent limited assurance report or any differences between the report issued by us and the information presented on the Company's web-site.

PricewaterhouseCoopers d.o.o.
Zagreb, 26 April 2023

This version of our report is a translation from the original, which was prepared in Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Pursuant to Article 272r of the Companies Act (Official Gazette NN No. 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, 34/22, 114/22 and 18/23), on 26 April 2023, 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 2022**

1. FIXED AND VARIABLE ELEMENTS OF REMUNERATION FOR 2022

1.1. ZAGREB STOCK EXCHANGE, INC. MANAGEMENT BOARD

In 2022, the remuneration paid to the Company's Management Board President Ivana Gažić totaled a gross of HRK 1,021,274 of which HRK 912,149 is the fixed element of remuneration and HRK 109,125 the variable element of remuneration. The fixed element represents 89.31% and the variable element 10.69% of remuneration.

In 2022, the remuneration paid to the Company's Management Board Member Tomislav Gračan totaled a gross of HRK 864,412 of which HRK 790,837 is the fixed element of remuneration and HRK 73,575 the variable element of remuneration. The fixed element represents 91.49% and the variable element 8.51% 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 2022, with the insurance cover of EUR 1 million.

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

The remuneration of the Company's Management Board members in 2022 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 26 April 2022 and approved by the Company's Shareholder Assembly at an Annual General Meeting (AGM) held on 14 June 2022.

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 (whose Supervisory Board mandate ended on 6 April 2022), Tomislav Jakšić, Matko Maravić, Ivan Sardelić, Enrique Bernardo Mariano, Dražen Čović and Silvije Orsag had no remuneration paid to them for their work in 2022.

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 2022, the Zagreb Stock Exchange, Inc. had total income of HRK 15,768 thousand and HRK 11 thousand in pre-tax profit and HRK 127 thousand profit after tax. There were no changes to the remuneration paid to members of the Zagreb Stock Exchange Management Board during 2022.

The ratio of average remuneration of Zagreb Stock Exchange, Inc. Management Board members and full-time employee in 2022 was 1:3.

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)	2022	2021	2020	2019	2018
Annual basis (gross II)	302	284	278	254	248

Zagreb Stock Exchange

(in thousand HRK)	2022	2021	2020	2019	2018
Total income*	15,768	15,512	15,341	16,105	14,857
Net profit/(loss)	127	873	1,875	1,195	1,310

*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 that up to 67% of the variable remuneration payable to the Management Board Member can be executed in the Company's shares.

In 2022 as well as of 31 December 2022, the Company did not distributed its shares to the Management Board Members on any basis.

The Supervisory Board members have no 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 2022 BY OTHER COMPANY FROM THE CONCERN

In 2022, the remuneration paid to the Management Board President as a member of the Macedonian Stock Exchange Inc. Supervisory Board for her work in the Supervisory Board was EUR 3,959.61 gross.

In 2022, Macedonian Stock Exchange Inc. additionally paid to the Management Board President a remuneration for other income in the amount of EUR 276.26 gross.

6. REMUNERATION PAID OR UNDERTAKEN TO BE PAID TO MANAGEMENT BOARD MEMBERS IN 2022 BY A THIRD PARTY IN RESPECT OF WORK DONE AS MANAGEMENT BOARD MEMBER

The Members of the Management Board had no remuneration paid to them in respect of work done as management board member by a third party in 2022, nor was a third party obliged to pay them receipts on that basis.

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 2022.

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 in the Management Board.

There were no changes to such arrangements in the course of 2022.

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 2022

There was no termination of membership of the Zagreb Stock Exchange Management Board in the course of 2022.

10. CONCLUSION

Remuneration policy for Zagreb Stock Exchange, Inc. Management Board Members was approved by the Company's Shareholder Assembly (AGM) on 14 June, 2022.


This Remuneration Report for Zagreb Stock Exchange, Inc. Management and Supervisory Board Members for 2022, 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.

This Remuneration Report for Zagreb Stock Exchange, Inc. Management and Supervisory Board Members for 2022, 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



Matko Maravić

Chairman of the Supervisory Board



Tomislav Gračan

Member of the Management Board



ZAGREBAČKA BURZA d.d.
Zagreb

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