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AD Plastik d.d.

Joint-stock company
for automotive plastic components manufacturing

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ISO 14001
ISO 27001
ISO 50001
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Announcement of regulated information

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Quotation: Zagreb Stock Exchange, Prime Market

Solin, June 5, 2023

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 20, 2023, 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 (NN 111/93, 34/99, 52/00, 118/03, 137/09, 152/11, 111/12, 144/12, 68/13, 110/15, 40/19, 114/2022 and 18/2023) 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, 2023, 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 20, 2023 (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 2022, Annual report on the status of AD Plastik Group for 2022, and Report by the Supervisory Board on the performed supervision over the management of the business of AD Plastik Group for 2022
2. Decision on the issuance of approval to the Management Board for their work in 2022
3. Decision on the issuance of approval for work to the Supervisory Board members in 2022
4. Decision on the appointment of an auditor for 2023 and defining remuneration for their work
5. Decision on the coverage of loss for 2022
6. Decision on approval of the Remuneration Report of Management and Supervisory Board Members for 2022
7. Decision on the adjustment of the share capital and nominal value of AD Plastik d.d. shares by reducing the share capital
8. Decision on amendments to the Charter of AD Plastik d.d.
9. Decision on amendments to the Rules of Procedure of the General Assembly of AD Plastik d.d.
10. 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 and 10, and the Supervisory Board for Items 4 and 10, the passing of the following decisions:

Ad 2 Approval to the Management Board for their work in 2022 has been issued.

Ad 3 Approval to the Supervisory Board members for their work in 2022 has been issued.

Ad 4 The decision on the appointment of an auditor for 2023 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 2023 for AD Plastik, d.d. Solin.
- II. Remuneration for the work of the auditor for 2023 shall be established by a special
The contract between the Company and the auditor, in accordance with the valid Audit law (NN No. 127/17);

Ad 5 The decision on the coverage of loss for 2022 has been made as follows:

Loss of AD Plastik d.d. Solin (hereinafter: the Company) for the year 2022 amounted to HRK 103,550,248, which according to the fixed HRK to EUR exchange rate amounts to EUR 13,743,479.73, and will be covered as follows:

1. from retained earnings of previous years in the amount of HRK 98,715,707 (EUR 13,101,825.87),
2. from capital reserves in the amount of HRK 4,834,541 (EUR 641,653.86).

Ad 6 The decision on approval of the Remuneration Report of Management and Supervisory Board Members for 2022 has been made as follows:

The audited Remuneration Report of Management and Supervisory Board Members for 2022 has been approved in the text published as Annex 1 of the Invitation to the General Assembly, together with the auditor's report, which form an integral part of this Decision.

Ad 7 The decision on the adjustment of the share capital and nominal value of AD Plastik d.d. shares by reducing the share capital has been made as follows:

Article 1

The share capital of AD PLASTIK, d.d. (hereinafter: the Company) entered in the court register amounts to HRK 419,958,400.00 (four hundred and nineteen million nine hundred and fifty-eight thousand four hundred kunas) and is divided into a total of 4,199,584 (four million one hundred ninety-nine thousand five hundred eighty-four) ordinary registered shares, each with a nominal value of HRK 100.00 (one hundred kunas), which are kept in the computer system of the Central Depository and Clearing Company as dematerialized securities under the designation ADP-R-A.

By applying the fixed exchange rate of the kuna to the euro, in accordance with Article 65, paragraph 2 of the Law on the introduction of the euro as the official currency of the Republic of Croatia (Official Gazette No. 57/22 and 88/22), with rounding to the nearest cent, the Company's recalculated share capital amounts to EUR 55,738,058.27 (fifty-five million seven hundred thirty-eight thousand fifty-eight euros and twenty-seven cents), and the recalculated nominal value of the share amounts to EUR 13.27 (thirteen euros and twenty-seven cents).

Article 2

For the purpose of adjusting the share capital in accordance with the provisions of Article 21 of the Act on Amendments to the Corporations Act (Official Gazette No. 114/2022 and 18/2023), the share capital of the Company is reduced from the amount of EUR 55,738,058.27 (fifty-five million seven hundred thirty-eight thousand fifty-eight euros and twenty-seven cents) by the amount of EUR 1,143,466.27 (one million one hundred forty-three thousand four hundred sixty-six euros and twenty-seven cents) to the amount of EUR 54,594,592.00 (fifty-four million five hundred ninety-four thousand five hundred and ninety-two euros) by reducing the nominal value of shares from the amount of EUR 13.27 (thirteen euros and twenty-seven cents) by the amount of EUR 0.27 (zero euro and twenty-seven cents) to the amount of EUR 13.00 (thirteen euros), in order to round the nominal value of shares to a whole number.

The amount of EUR 1,143,466.27 (one million one hundred forty-three thousand four hundred sixty-six euros and twenty-seven cents) by which the share capital is reduced is transferred into the Company's capital reserves.

Article 3

After recalculation and adjustment, the Company's share capital amounts to EUR 54,594,592.00 (fifty-four million five hundred ninety-four thousand five hundred ninety-two euros), divided into a total of 4,199,584 (four million one hundred ninety-nine thousand five hundred eighty-four) ordinary registered shares, each with a nominal value of EUR 13.00 (thirteen euros).

Article 4

Following the adjustment of the share capital and the nominal value of the Company's shares as determined by the previous articles of this Decision, as well as in accordance with the provisions of Article 21, Paragraph 4 of the Act on Amendments to the Corporations Act (Official Gazette No. 114/2022 and 18/2023) in the Charter of AD PLASTIK d.d. Solin (consolidated text), (hereinafter: Charter), Article 11 is amended to read as follows:

"The share capital of the Company amounts to EUR 54,594,592.00 (say: fifty-four million five hundred and ninety-four thousand five hundred and ninety-two euros)."

Article 5

Article 14 of the Charter is amended to read as follows:

"The Company's share capital is divided into 4,199,584 (say: four million one hundred ninety-nine thousand five hundred and eighty-four) ordinary registered shares, each with a nominal value of EUR 13 (say: thirteen euros)."

In Article 15 of the Charter, the words: "HRK 100" are replaced by the words: "EUR 13".

Article 6

The Supervisory Board is authorized to determine and issue a consolidated text of the Charter.

Article 7

The Management Board of the Company is obliged to undertake all necessary legal actions and submit an application to the Commercial Court in Split in order to enter this Decision into the court register.

Ad 8 Decision on amendments to the Charter of AD Plastik d.d. has been made as follows:

Article 1

In the Charter of AD PLASTIK d.d. Solin (consolidated text, which includes the Charter, dated December 18, 1995, and its amendments dated April 28, 1997, July 21, 2000, July 26, 2001, April 15, 2002, July 8, 2004, June 21, 2007, July 18, 2008, July 16, 2009, July 14, 2011, and July 19, 2012, hereinafter: Charter), in Article 26, paragraph 3, the words: "Open joint-stock company" shall be replaced by the words: "Joint-stock company".

Article 2

In Article 35 of the Charter, paragraph 3 is amended to read:

„(3) The invitation to the General Assembly with the agenda, draft decisions for each item on the agenda, and draft acts, the content of which must be published by law, shall be published on the website where the court register is located and on the official website of the Company www.adplastik.hr.“

Article 3

In Article 42 of the Charter, paragraph 1 is amended to read:

“(1) Information and announcements of the Company, which must be made public by law and this Charter, shall be published on the website where the court register is located and on the official website of the Company www.adplastik.hr.”

Article 4

The Supervisory Board is authorized to pass and issue a consolidated text of the Charter.

Article 5

These amendments to the Charter shall come into force on the day they are entered in the court register at the Commercial Court in Split.

Ad 9 Decision on amendments to the Rules of Procedure of the General Assembly of AD Plastik d.d. has been made as follows:

Article 1

Article 7, paragraph 2 of the Rules of Procedure of the General Assembly of AD PLASTIK d.d. Solin, (consolidated text, which includes the Rules of Procedure dated July 14, 2011, and its amendments dated July 18, 2013, hereinafter: Rules of Procedure), is amended to read:

“The invitation from the previous paragraph shall be published on the website where the court registry is located and on the official website of the Company www.adplastik.hr. ”

Article 2

Article 20 of the Rules of Procedure is amended to read:

“If the invitation for the Assembly that was not held due to lack of quorum did not specify when and where the repeated Assembly will be held, the shareholders will be invited to the repeated Assembly in the same way as it was done for the Assembly that was not held.”

Article 3

Article 24 of the Rules of Procedure is amended to read:

“The right to vote at the General Assembly of the Company is exercised in proportion to the nominal amount of shares of each shareholder, so that every 13 EUR of the nominal amount of shares, i.e. each share of the nominal amount of 13 EUR gives the right to one (1) vote.”

Article 4

The Supervisory Board is authorized to pass and issue a consolidated text of the Rules of Procedure.

Article 5

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

Ad 10 The decision on the election of one member of the Supervisory Board has been made as follows:

Article 1

Mr. Igor Anatolyevich Solomatin, OIB: 57326820923, Electrical Engineer, address: Ryleeva 2-2, Saint Petersburg, Russian Federation 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 July 25, 2023, 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 2022, 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 2022 and adopted the Report on the performed supervision over the management of the business of AD Plastik Group for 2022.

The aforementioned audited annual financial statements, together with the Annual Report on the status of AD Plastik Group for 2022 and the Report by the Supervisory Board on the performed supervision over the management of the business of AD Plastik Group for 2022 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 2022.

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 2022.

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 31, 2023, 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 2022.

Ad 5 The Management Board and the Supervisory Board propose to the General Assembly to adopt a decision by which the loss of the Company for the year 2022, in the amount of HRK 103,550,248, will be covered from the retained earnings of previous years in the amount of HRK 98,715,707, and from capital reserves in the amount of HRK 4,834,541.

Ad 6 Pursuant to Article 272r of the Corporations Act, the Management Board and the Supervisory Board have prepared a 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 Annex 1 to the Invitation to this General Assembly.

Ad 7 Due to the introduction of the euro as the official currency of the Republic of Croatia from January 1, 2023, the Company is obliged to adjust the share capital and the nominal value of the share to the provisions of the Law on the Introduction of the Euro as the Official Currency of the Republic of Croatia (hereinafter: the Law on the Euro) and the Law on Amendments to the Corporations Act ("Official Gazette" No. 114/2022 and 18/2023). When recalculating the existing amount of the Company's share capital and shares, a fixed exchange rate of the kuna to the euro was applied (1 EUR = 7.53450 HRK), with rounding to the nearest cent, in accordance with the rules for recalculation and rounding as regulated by the Law on the Euro.

Based on the provisions of the Law on Amendments to the Corporations Act, the recalculated nominal value of the share of EUR 13.27 is rounded to the nearest amount of EUR 13.00, which is a whole number. Following the above, the recalculated amount of the share capital of EUR 55,738,058.27 should be reduced by the amount of EUR 1,143,466.27, in order to obtain a new amount of adjusted share capital of EUR 54,594,592.00, which corresponds to the product of the total number of shares of the Company (4,199,584 shares) and the adjusted nominal amount of EUR 13 for one share. The amount of EUR 1,143,466.27 by which the share capital is reduced shall be transferred to the capital reserves, with appropriate changes to the provisions of the Company's Charter relating to the share capital and nominal value of shares (Articles 11, 14, and 15 of the Charter).

Ad 8 The decision on the adjustment of the share capital and the nominal value of the Company's shares also changes the corresponding provisions of the Company's Charter that refer to the share capital and the nominal value of the shares.

In addition to the above, in accordance with Article 301, paragraph 2 of the Corporations Act, a special decision on amendments to the Company's Charter proposes to implement additional amendments to the Charter by updating the name of the shareholder AO "Holding "Avtokomponenty" (in Article 26, paragraph 3 of the Charter) and amend the provisions of Article 35, paragraph 3 and Article 42, paragraph 1 of the Charter, which refer to the publication of the invitation to the General Assembly and other announcements which, according to the law and the Charter, the Company must make public in such a way that, instead of being published in the Official Gazette, it is specified that, in addition to the official website of the Company, such invitation and announcements will also be published on the website where the court register is located, all in accordance with Articles 174, paragraph 1 and 277, paragraph 6 of the Corporations Act.

Ad 9 Considering the changes to the Company's Charter, as explained in detail in the previous items, it is necessary to amend and adjust the corresponding provisions of the Rules of Procedure of the General Assembly.

Thus, in Article 7, paragraph 2 of the Rules of Procedure, which determines the media in which the invitation to the General Assembly shall be published, it is stipulated that such invitation, instead of publishing in the Official Gazette shall be published on the website of the court register, and in Article 24 of the Rules of Procedure, the nominal value of the share, instead of HRK, shall be stated in EUR.

Also, in accordance with the Corporations Act, and with the aim of facilitating the procedure for convening and holding the General Assembly of the Company, Article 20 of the Rules of Procedure is amended in such a way as to delete the provision on the deadlines in which the repeated General Assembly of the Company can be held again in the event that the convened General Assembly was not held due to the lack of a quorum, whereby it is established that shareholders should be specifically invited to the repeated General Assembly only in the event that the invitation to the General Assembly that was not held due to the lack of a quorum did not specify when and where the repeated General Assembly will be held.

Ad 10 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. Igor Anatolyevich Solomatyn, with the beginning of the term of office on July 25, 2023, ie after the expiration of his current terms of office.

Mr. Igor Anatolyevich Solomatin is an electrical engineer with many years of business and managerial experience, primarily in the field of accounting and corporate finance. 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. Igor Anatolyevich Solomatin is the president of the supervisory board in the companies: Limited liability company "Sankt-Peterburgskaya investicionnaya kompaniya" INN 7813600487, Joint-stock company "Monber" INN 7813636557, Joint-stock company "Rossolimo" INN 7704793327, Joint-stock company "Gidroagregat" INN 5252000470, member of the supervisory board in the companies: Limited Liability Company "SPIK-Prom" INN 7813658134, Joint Stock Company "Michurinskii zavod "Progress" INN 6827005976, as well as the general director in the companies: Limited Liability Company "Sankt-Peterburgskoe agentstvo novostey" INN 7813453120, and Joint-stock company "Holding "Avtokomponenty" INN 7813490925, all based in the Russian Federation.

IV In case the General Assembly is not held on July 20, 2023, because of lack of quorum or for other reasons, the next meeting of the General Assembly shall be held on July 28, 2023 (Friday) at the same time and 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 HRK 100.00.

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 at the time of the convening of the General Assembly the Company has 40,628. The total number of shares with voting right at the time of convening the General Assembly amounted to 4,158,956.

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 29, 2023 (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 13, 2023 (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. steering 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

A large, stylized decorative swoosh in yellow and light blue, mirroring the company's logo, is positioned at the bottom of the page.

Annex 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.

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 2022, attached as an appendix. Our engagement is to form an independent limited assurance conclusion, based on our work performed and evidence obtained, that nothing has come to our attention that causes us to believe that the attached Remuneration Report is not prepared in accordance with the requirements specified in Paragraphs 1 and 2 of Article 272r of the Companies Act applicable in the Republic of Croatia (“Reporting Criteria”).

Management and Supervisory Board responsibilities

Management and Supervisory Board are responsible for the preparation and presentation of the Remuneration Report that is free from material misstatement in accordance with Paragraphs 1 and 2 of Article 272r of the Companies Act and for the information contained therein.

Management Board is responsible for:

- designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Remuneration Report that is free from material misstatement, whether due to fraud or error;
- measurement and reporting of compensations 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 conclusion based on the evidence obtained. We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3000 - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. ISAE 3000 requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Remuneration Report is prepared in accordance with the Reporting Criteria, in all material respects, as the basis for our limited assurance conclusion.

KPMG Croatia d.o.o. za reviziju complies with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and applies the International Standard on Quality Control 1 (ISQM 1). Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards, including independence and other requirements founded on the fundamental principles of integrity, objectivity, professional competence, and due care, confidentiality, and professional behaviour, as well as applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

As part of this engagement, we have not performed any procedures by way of audit or review of the Remuneration Report nor of the underlying accounting and other records from which it was compiled.



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

Reporting Criteria

The Reporting Criteria for the preparation of the Remuneration Report are the required information as specified in Paragraphs 1 and 2 of Article 272r of the Companies Act.

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.

Statement of Management and Supervisory Board

The Management Board and the Supervisory Board of the Company state that the Remuneration Report for the year 2022 is accurate and complete and includes all required information as specified in Paragraphs 1 and 2 of Article 272r of the Companies Act.

Our 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 2022 is not prepared, in all material respects, in compliance with the requirements specified in Paragraphs 1 and 2 of Article 272r of the Companies 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

Our report is intended solely for the purpose specified in Article 272r of the Companies 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. za reviziju
Croatian registered auditors
Eurotower, 17th floor
Ivana Lučića 2a
10000 Zagreb
Croatia

May 31, 2023

Domagoj Hrkać
Director, Croatian registered auditor

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Remuneration Report of Management and Supervisory Board Members for 2022

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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 31.05.2023., and the Supervisory Board of the Company at its meeting held on 31.05.2023., determined the following

**REMUNERATION REPORT
OF MANAGEMENT AND SUPERVISORY BOARD MEMBERS
FOR 2022**

1. Introduction

The Company's business operations in 2022 were marked by further uncertainty and the strong influence of external factors caused by the Russian-Ukrainian crisis, the continuation of the coronavirus pandemic and its consequences, which were manifested primarily in the increase in the prices of energy sources and raw materials, disruptions in supply chains, and the reduction of customer orders. The automotive industry in the European market is still facing a lack of semiconductors, which during 2021 and 2022 affected the capacities and operational plans of manufacturers and suppliers. The primary activities of the Management Board and the Supervisory Board members continue to be focused on preserving financial stability, reducing negative external factors, and business sustainability with a focus on commercial activities in the European market and the realization of new 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.

In the latter decision, referring to the provision of Article 247a of the Companies Act and Article 9 of the Remuneration Policy, the Supervisory Board deviated temporarily for 2021 and 2022 from the criteria established by the Remuneration Policy for the payment of the variable part of the remuneration to the President and the Management Board members for the reason that the stated criteria could not be objectively achieved because they imply application in regular business circumstances. In 2021 and 2022, the ADP Group operated in globally and objectively uncertain and significantly hindered business conditions, that have particularly strongly affected the automotive industry. Business required further adjustment of planned and strategic activities, adaptation to new circumstances, customers, and the overall development of the situation in the global market. Therefore, for the long-term benefit of the company, it was necessary to conclude additional agreements to the manager's contracts, by which special criteria for the payment of the variable part of the remuneration (bonus) to the President and the Management Board members were established for the year 2021 and 2022, as well as a special condition on the payment of the bonus exclusively in shares of the Company while retaining the prohibition of disposal as prescribed by the Remuneration Policy.

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.

The term of office of the Management Board member Mr. Ivan Čupić, as a Management Board member, was terminated at his request on September 14, 2022.

By the decision of the Supervisory Board dated September 15, 2022, new Management Board members, Mr. Zlatko Bogadi and Mr. Josip Divić, were appointed.

Management Board members who held that position during 2022:

Table 1

Name and surname	Function	The period from - to
Marinko Došen	President of the Management Board	01 Jan 2022 – 31 Dec 2022
Mladen Peroš	Management Board Member	01 Jan 2022 – 31 Dec 2022
Ivan Čupić	Management Board Member	01 Jan 2022 – 14 Sept 2022
Zlatko Bogadi	Management Board Member	15 Sept 2022 – 31 Dec 2022
Josip Divić	Management Board Member	15 Sept 2022 – 31 Dec 2022

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 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 2022

Management Board members in 2022 (regardless of the period to which the payment refers) were paid the following remuneration in gross I amount in HRK:

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	1.116.800,00 kn	51,90%	735.203,80 kn	34,17%	293.389,37 kn	13,64%	6.246,00 kn	0,29%	2.151.639,17 kn	100,00%
Mladen Peroš	726.852,83 kn	69,46%	245.325,64 kn	23,44%	65.752,94 kn	6,28%	8.514,00 kn	0,81%	1.046.445,41 kn	100,00%
Ivan Čupić *	590.010,92 kn	90,04%	0,00 kn	0,00%	61.374,35 kn	9,37%	3.908,00 kn	0,60%	655.293,27 kn	100,00%
Zlatko Bogadi *	133.381,81 kn	73,39%	0,00 kn	0,00%	46.512,62 kn	25,59%	1.846,00 kn	1,02%	181.740,43 kn	100,00%
Josip Divić *	133.381,81 kn	82,02%	0,00 kn	0,00%	27.536,43 kn	16,93%	1.702,00 kn	1,05%	162.620,24 kn	100,00%

* During the performance of duties in 2022

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

In 2022, Management Board members were paid a variable remuneration (bonus) in the Company's shares for 2021.

In accordance with the decision of the Supervisory Board cited in the introduction, the Company has temporarily deviated from the criteria for the payment of variable remuneration (bonus) of the President and Management Board members for 2021, in relation to what was determined in section 3 of the Remuneration Policy, and for the specified year, for the payment of variable remuneration (bonus), it has determined special financial indicators aimed at the long-term sustainability of the Company's business operations, as well as the achievement of a non-financial goal.

2.2. Remuneration of Management Board members in subsidiary companies of AD Plastik Group in 2022, 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 2022 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 2022, 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 2022, 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 2022

In 2022, 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 2021 can be paid exclusively in Company shares, all in accordance with the decision of the Supervisory Board dated May 24, 2022, as stated in the introductory part of this report. During 2022, variable remuneration was paid in Company shares.

In 2022, the President of the Management Board, Mr. Marinko Došen, was paid a variable remuneration in the Company shares (7,315 shares for 2021), all in accordance with the achieved goals stipulated in the manager's contract.

In 2022, a Management Board member, Mr. Mladen Peroš, was paid a variable remuneration in the Company shares (2,410 shares for 2021), all in accordance with the achieved goals stipulated in the manager's contract.

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. Return of variable parts of remuneration

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

3. Supervisory Board

Supervisory Board members who performed that duty in 2022:

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 2022 – 31 Dec 2022
Ivica Tolić	Deputy President, re-elected a Supervisory Board member by the decision of the General Assembly of 24 Aug 2020	01 Jan 2022 – 31 Dec 2022

Ivka Bogdan	Member, elected by the decision of the General Assembly of 31 Jan 2019	01 Jan 2022 – 31 Dec 2022
Bože Plazibat	Member, elected by the decision of the General Assembly of 31 Jan 2019	01 Jan 2022 – 31 Dec 2022
Igor Anatolyevich Solomatin	Member, elected by the decision of the General Assembly of 11 July 2019	01 Jan 2022 – 31 Dec 2022
Alina Viktorovna Koretskaya	Member, appointed by the decision of AO HAK of 20 July 2020	01 Jan 2022 – 31 Dec 2022
Andjelka Čulo	Member, employee representative appointed by the decision of the Workers' Council of 14 May 2020	01 Jan 2022 – 31 Dec 2022

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 HRK 12,000.00;
- b. The Deputy President of the Supervisory Board is entitled to a remuneration in the net amount of HRK 10,000.00;
- c. Other Supervisory Board members are entitled to a remuneration in the net amount of HRK 8,000.00
- 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 HRK 4,000.00 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 2022

Supervisory Board members in 2022 (regardless of the period to which the payment refers) were paid the following remuneration in gross I amount in HRK.

Table 4

Name and surname	Total paid Gross I in HRK
Sergey Dmitrievich Bodrunov	66.666,68 kn
Ivica Tolić	109.668,07 kn
Ivka Bogdan	46.176,04 kn
Bože Plazibat	80.319,24 kn
Igor Anatolyevich Solomatin	94.444,45 kn

Alina Viktorovna Koretskaya	27.896,76 kn
Andjelka Čulo	46.176,04 kn
Total	471.347,28 kn

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 employees in the last 5 years

Table 5

Name / year	2018	2019	2020	2021	2022
Total Company's revenue	944.973.948,00 kn	1.107.593.810,00 kn	871.660.106,00 kn	745.404.556,00 kn	616.846.849,00 kn
Net profit of the Company	88.961.262,00 kn	80.783.230,00 kn	68.632.630,00 kn	16.339.737,00 kn	-103.550.248,00 kn
Average annual gross I remuneration per employee	105.474,87 kn	110.027,28 kn	110.650,16 kn	112.082,94 kn	122.210,76 kn
Average annual gross I remuneration of the Management Board	1.946.766,64 kn	1.086.090,09 kn	923.264,98 kn	1.604.940,83 kn	1.003.503,70 kn
Average annual gross I remuneration of the Supervisory Board	48.511,72 kn	61.679,85 kn	67.519,21 kn	89.802,93 kn	67.335,33 kn

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 employee's salary in accordance with the Collective Agreement, the Ordinance on salaries and other material rights of employees, and the employment contract. The average number of employees for a particular year is calculated based on the total number of working hours in relation to the maximum possible number of working hours per particular year per employee.

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 amount of HRK 82.485,27.
- 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

