

**CROATIAN FINANCIAL SERVICES SUPERVISORY AGENCY**  
- Officially appointed mechanism for the central storage of regulated information -

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**Official company website**

[www.span.eu](http://www.span.eu)

**Company and registered office of the issuer:** Span d.d., Koturaška cesta 47, 10000 Zagreb

**OIB:** 19680551758

**LEI:** 747800L0D5F39CX8NA43

**Home Member State:** Republic of Croatia

**ISIN:** HRSPANRA0007

**Security:** SPAN

**Regulated market:** Zagreb Stock Exchange

**Market segment:** Official market

Zagreb, May 3<sup>rd</sup>, 2022

**Subject:** Invitation to the General Assembly of Span d.d.

- *Regulated information* -

we hereby inform you, as the aforementioned Issuer of the Shares which have been introduced to the Official market of the Zagreb Stock Exchange, that today, May 3<sup>rd</sup>, 2022, we have delivered to the following authorities:

- Zagreb Stock Exchange
- Croatian Financial Services Supervisory Agency - Officially appointed mechanism for the central storage of regulated information
- as well as announced on our official website: <https://www.span.eu/en/investors/>

an Invitation to the General Assembly of Span d.d., that will be held on June 13<sup>th</sup>, 2022, starting at 11:00 am at the address: The Westin Hotel Zagreb, Panorama Hall - 17th floor, Izidora Kršnjavoga 1, 10000 Zagreb, Croatia.

The invitation to the General Assembly will also be published on the website of the court register, and will be published in all prescribed content, together with reports and other materials for the General Assembly, on the Company's website [INVESTORS | Span.eu](http://INVESTORS.Span.eu).

An Invitation to the General Assembly of Span d.d. is enclosed to this notice.

Span d.d.

Koturaška cesta 47, 10000 Zagreb

[investors@span.eu](mailto:investors@span.eu)

<https://www.span.eu/en/investors/>

## INVITATION TO THE GENERAL ASSEMBLY of Span d.d.

Pursuant to provisions of Article 277 paragraph 2 of the Companies Act and the Article 22 of the Company Statute, the Management Board of Span d.d., with the registered office in Zagreb, Koturaška cesta 47 (hereinafter referred to as: Span d.d. or "Company"), on May 2nd, 2022 adopted a Decision on convening the General Assembly of the Company, and hereby invites the shareholders of the Company to the

### GENERAL ASSEMBLY

of

Span d.d.

that will take place on June 13<sup>th</sup>, 2022 starting at 11:00 am at the address: The Westin Hotel Zagreb, Panorama hall - 17<sup>th</sup> floor, Izidora Kršnjavoga 1, 10000 Zagreb, Croatia

with the following agenda:

1. Election of the President of the General Assembly;
2. Annual financial statements of the Company and consolidated financial statements of Span Group for 2021, Annual report on the status and operation of the Company and Span Group for the 2021 financial year and the Supervisory Board Report on the management of the Company in 2021;
3. Decision on the use of profits;
4. Decision on giving discharge to members of the Management Board of the Company for the 2021 financial year;
5. Decision on giving discharge to members of the Supervisory Board of the Company for the 2021 financial year;
6. Decision on giving authorization to the Management Board of the Company for acquisition of the Company shares;
7. Decision on approval of the Remuneration Report for the Management Board and the Supervisory Board in the 2021 financial year;
8. Decision on giving consent for the Remuneration Policy of the Company;

9. Decision on remuneration to the members of the Supervisory Board of the Company;
10. Decision on appointing the auditor of the Company and Span Group for the 2022 financial year;

Proposals for decisions of the General Assembly;

Ad 1. The Management Board and the Supervisory Board of the Company propose adoption of the following decision to the General Assembly:

“Mr. Stjepan Lović, attorney at law is elected President of the General Assembly of the Company for this convocation.”

Ad 3. The Management Board and the Supervisory Board of the Company propose adoption of the following decision to the General Assembly:

“Decision on the use of profits for 2021

I. In the financial year that ended December 31st, 2021, Span Group had net consolidated profit in the amount of HRK 23,823,517.99, and net profit of Span d.d. is HRK 19,359,494.34.

II. Payment of dividend in the amount of HRK 5 per share to the shareholders of the Company is determined, proportional to the number of shares they hold.

III. Dividend will be paid from the profits of the Company made in 2021.

IV. Dividend will be paid to the shareholders of the Company who are recorded as the shareholders of the Company in the depository of Središnje Klirinško Depozitarno Društvo d.d. on June 17<sup>th</sup>, 2022 (record date). The claim for dividend payment is due on July 1st, 2022 (payment date).

V. Date from which the share of the Company will be traded without the right to payment of dividend is June 15<sup>th</sup>, 2022 (ex date).

VI. Net profit for the 2021 financial year that will remain after the payment of the dividend in line with points 2 and 3 of this Decision remains in the retained profit of the Company.

VII. This Decision enters into force on the day of its adoption.”

Ad 4. The Management Board and the Supervisory Board of the Company propose adoption of the following decision to the General Assembly:

"I. The discharge of the members of the Management Board of the Company will be voted on separately.

II. President of the Management Board, Mr. Nikola Dujmović is given discharge approving his management of the operations of the Company in the prior financial year.

III. Member of the Management Board, Mr. Damir Bočkal is given discharge approving management of the operations of the Company during his membership in the Management Board in the prior financial year.

IV. Member of the Management Board, Mr. Marijan Pongrac is given discharge approving his management of the operations of the Company in the prior financial year.

V. Member of the Management Board, Mr. Dragan Marković is given discharge approving his management of the operations of the Company in the prior financial year.

VI. Member of the Management Board, Mrs. Antonija Kapović is given discharge approving her management of the operations of the Company in the prior financial year.

VII. Member of the Management Board, Mr. Saša Kramar is given discharge approving his management of the operations of the Company in the prior financial year."

Ad 5. The Management Board and the Supervisory Board of the Company propose adoption of the following decision to the General Assembly:

"I. The discharge of the members of the Supervisory Board of the Company will be voted on separately.

II. President of the Supervisory Board Mr. Jasmin Kotur is given discharge approving his supervision of the operations of the Company in the prior financial year.

III. Vice-President of the Supervisory Board, Mr. Aron Paulić is given discharge approving his supervision of the operations of the Company in the prior financial year.

IV. Member of the Supervisory Board, Mr. Ante Mandić is given discharge approving his supervision of the operations of the Company in the prior financial year.

V. Member of the Supervisory Board, Mr. Zvonimir Banek is given discharge approving his supervision of the operations of the Company in the prior financial year."

Ad 6. The Management Board and the Supervisory Board of the Company propose adoption of the following decision to the General Assembly:

"1. Pursuant to provisions of Article 233 of the Companies Act, the General Assembly hereby gives authorization to the Management Board of the Company for acquisition of own shares of the Company with the symbol SPAN-R-A in the period of 5 (five) years from the date of adoption of this Decision, without further special consents of the General Assembly of the Company, provided that:

1. The total number of shares of the Company acquired based on this Decision, together with own shares the Company already holds, must not exceed 10% (ten percent) of the share capital of the Company at the moment of acquisition;
2. The Management Board of the Company is authorised to acquire own shares on the regulated market;
3. The Management Board of the Company is authorized to dispose of the own shares of the Company in line with the Companies Act and other applicable regulations;
4. Price at which own shares of the Company are acquired must not be above 10% (ten percent), or below 10% (ten percent) of the average market price achieved for those shares on the previous day of trading;
5. In the financial year in which the Company acquired own shares, the Company has to create the prescribed reserves in line with the provisions of Article 233 paragraph 4 of the Companies Act;
6. The Management Board of the Company must inform the first next General Assembly of the Company of the reasons and purpose of the acquisition of shares, their number and stake in the share capital, and about the countervalue of what the Company has given for those shares.

The Management Board of the Company is obliged to adopt a program for disposal of own shares, for which it has to obtain prior consent of the Supervisory Board of the Company.

The Management Board of the Company is authorized, based on an adopted program for disposal of own shares of the Company referred to in the previous paragraph of this Decision, to dispose of its own shares it already holds or shares it will acquire based on the provisions of this Decision of the General Assembly concerning giving authorization to the Management Board of the Company to acquire own shares (by disposing them within the ESOP program of the Company, the remuneration of members of the Management Board of the Company, employees of the Company and affiliated companies, and other programs for disposal of own shares adopted by the Management Board of the Company upon previous consent of the Supervisory Board of the Company), and except for this Decision, no special decision of the General Assembly of the Company is required for that, whereby this Decision rules out the precedence right of the current members.

II. This Decision enters into force on the day of its adoption by the General Assembly of the Company.”

Ad 7. The Management Board and the Supervisory Board of the Company propose adoption of the following decision to the General Assembly:

“I. The audited Remuneration Report for the Management Board and the Supervisory Board during the 2021 financial year is approved, in a text published as Attachment 1 to the Invitation for the General Assembly, together with the auditor’s report, which are constituent parts of this Decision.

II. This Decision enters into force on the day of its adoption.”

Ad 8. The Supervisory Board of the Company proposes adoption of the following decision to the General Assembly:

“I. Consent is given for the Remuneration Policy of the Company, in the text published as Attachment 2 to the Invitation for the General Assembly, which is a constituent part of this Decision.

II. This Decision enters into force on the day of its adoption.”

Ad 9. The Management Board and the Supervisory Board propose adoption of the following decision to the General Assembly:

“I. Members of the Supervisory Board of the Company are determined remuneration for the 2022 financial year in the amount of HRK 6,250 gross, per meeting.

II. The Company undertakes to deduct a sum from the amount of the remuneration referred to in point I. of this Decision and pay for all charges that are paid on remuneration of members of the Supervisory Board of the Company in line with the applicable positive regulations.

III. This Decision enters into force on the day of its adoption.”

Ad 10. The Supervisory Board of the Company proposes adoption of the following decision to the General Assembly:

"I. The following company is appointed the auditor of the operations of the Company and the Group in the 2022 financial year:

- Deloitte limited liability company for audit services, with the registered office in Zagreb, Radnička cesta 80, (Zagreb Tower), MBS 030033053, OIB 11686457780 entered in the Auditor Company Register kept at the Croatian Audit Chamber under the registration number 100001360.

II. This Decision enters into force on the day of its adoption."

## INVITATION AND INSTRUCTIONS TO SHAREHOLDERS

### FOR PARTICIPATION IN THE GENERAL ASSEMBLY

(hereinafter referred to as – Instructions)

#### Total number of shares and voting rights

1. The share capital of the Company is divided in 1,960,000 named shares, with the nominal value of HRK 10.00. All shares are regular and named and the total number of voting rights on the day of announcement of this Invitation is 1.935.564, given that one share entitles to one vote and the rights from own shares of the Company rest. Span d.d. on the day of convening the General Assembly holds 24.436 its own shares.

2. The shares of the Company exist only in form of immaterial securities in the computer system of Središnje Klirinško Depozitarno Društvo. Only a person having a registered share of the Company in their account of securities in Središnje Klirinško Depozitarno Društvo is considered as a valid shareholder.

Share symbol

ISIN: HRSPANRA0007

Symbol of share with the Zagreb Stock Exchange: SPAN

Symbol of share with the SKDD: SPAN-R-A

Invitation, time and place of the General Assembly

1. Shareholders of Span d.d. are invited to take part in the operation of the General Assembly that will take place on June 13<sup>th</sup>, 2022, at the address: The Westin Hotel Zagreb, Panorama hall- 17<sup>th</sup> floor, Izidora Kršnjavoga 1, 10000 Zagreb, Croatia, starting at 11:00 am.

2. Participants are invited to come to the General Assembly on June 13<sup>th</sup>, 2022, at least one hour before the scheduled start due to timely registration of participants and preparation of a list of participants at the General Assembly by the Participant Registration Committee. When registering, shareholders or their proxies or representatives must show to the Committee a legally prescribed valid ID document, and for proxies legal entities, an excerpt from the court registry i.e., another corresponding registry where that legal entity is registered or another adequate public document should also be presented, if the same was not done when applying for participation in the General Assembly. After the registration, participants may leave the General Assembly only upon prior applying to the Participant Registration Committee until the General Assembly is closed.

#### Participation and voting at the General Assembly

3. Any shareholder of the Company may take part in the General Assembly if he/she reports his/her participation, in person or through a representative i.e., proxy, in writing, to the Company, not later than six days before the General Assembly takes place, which deadline does not include the day the application arrives at the Company, or not later than June 6<sup>th</sup>, 2022. A shareholder of the Company with the right to participate at the General Assembly is considered to be a legal or natural person recorded as a shareholder of the Company at the depository of Središnje Klirinško Depozitarno Društvo, on the final day for application of participation in the General Assembly i.e., June 6<sup>th</sup>, 2022.

4. The application must have the following content and enclosures:

I. Application for shareholder – natural person

- name and surname, residence, address and total number of shares of that shareholder

II. Application for shareholder – legal entity

- company i.e., title of the legal entity, registered office and address, OIB

- total number of shares of that shareholder

- an excerpt from the court register where the legal entity is registered, or its copy, certified transcript or another adequate public document showing evidently that the



application was signed by a person authorized by law to represent that legal entity, is provided as enclosure

### III. Application submitted by the shareholder's proxy

#### a) Proxy – natural person:

- Name and surname, residence and address of the proxy
- A list of shareholders he/she represents, for each of them the number of the account opened at Središnje Klirinško Depozitarno Društvo and total number of shares of all represented shareholders
- All individual powers of attorney given by shareholders provided on the recommended form are enclosed to the application form

#### b) Proxy:

- Company i.e., title of the legal entity, registered office and address, OIB of the proxy
- A list of shareholders he/she represents, for each of them the number of the account opened at Središnje Klirinško Depozitarno Društvo and total number of shares of all represented shareholders
- Individual powers of attorney of shareholders are provided in writing as enclosure to the application form, and if the shareholder is a legal entity, an excerpt from the court register or another register where the legal entity is registered, or its copy, certified transcript or another adequate public document showing evidently that the application was signed by a person authorized by law to represent that legal entity, is provided as enclosure.

5. For minors or natural persons without legal capacity or with limited legal capacity, an application is submitted by, and they are represented by the legal representative who has to enclose the application form with an original or a copy or certified transcript of the document wherefrom his/her status of the legal representative arises.

6. Shareholders may be represented at the General Assembly by proxies based on a duly signed power of attorney issued by the shareholder i.e., for shareholder that is a legal entity, issued by the person authorized by law to represent it.

7. The power of attorney for application for participation and/or voting at the General Assembly must contain the name and surname, or the company, residence or registered office and address of the principal, the total number of shares, name and surname, or the company, the residence or registered office and address of the proxy, signature of the principal or the legal representative or representative by law, if the principal is a legal entity.

The power of attorney is valid only for this session of the General Assembly i.e., for the next one, which will be held in the following period in case of lack of quorum.

Use of the application form for participation in the General Assembly and the power of attorney form are recommended; they can be obtained at the registered office of the Company and are also available on the company websites [www.span.eu](http://www.span.eu).

8. The application for participation in the General Assembly and power of attorney, as well as all the enclosures must be in Croatian or if they are in a foreign language, they must be translated in Croatian by a court authorised translator.

9. Applications for participation at the General Assembly are submitted directly to the Company at its seat in Zagreb, at Koturaška cesta 47, or are addressed to the Company by registered mail to the address: Span d.d., Koturaška cesta 47, 10 000 Zagreb, Attn. Legal Department.

10. Applications for participation in the General Assembly will be considered timely made if they are submitted in line with these instructions or delivered to the Company by mail not later than by 24:00 on June 6th, 2022. Shareholders who have not applied duly for participation at the General Assembly in line with these instructions or have not enclosed the application with documents provided for in these instructions, will not be entitled to take part in the General Assembly.

11. Pursuant to the Statute of the Company, the General Assembly can take valid decisions if shareholders whose shares account for more than a half of the share capital of the Company are present in person or through a proxy (quorum). If there is no quorum, the General Assembly will be held on the same day at 12.00 am at the same place and with the same agenda, and that General Assembly will make all the decision validly, irrespective of the amount of the represented share capital.

Rights of shareholders to ask questions, request addition of the agenda, place counter proposals and the right to be informed

12. Shareholders who intend to ask questions at the General Assembly concerning an Individual point of the agenda, are asked, for more efficient organization of the work of the General Assembly, to announce that in writing when submitting an application for participation in the General Assembly, or not later than at registration of participants ahead of the General Assembly and then to mark the point of the agenda which the question will refer to.

13. Shareholders who together have shares in the amount of the 20th part of the share capital of the Company are entitled to request, after the General Assembly has been

convened, that a subject is inserted in the agenda of the General Assembly and disclosed, whereby with any new subject in the agenda, there has to be explanation or a proposal for decision. A request for inserting a new subject in the agenda is submitted to the Company by the shareholders at the address of the registered office of the Company (Span d.d., Koturaška cesta 47, 10 000 Zagreb). For the addition of the agenda to be validly published in line with the Companies Act, a request for placing a new subject in the agenda of the Assembly must be received by the Company at least 30 days before the General Assembly takes place, which deadline does not include the day of arrival of the request to the Company. Failure to meet the above deadline results in the proposed points in the agenda not being validly published so they cannot be decided on at the General Assembly.

14. Shareholders have the right to place a counterproposal to the proposal for Decision given by the Management Board of the Company and/or the Supervisory Board of the Company concerning a point in the agenda. The counterproposal, where name and surname of the shareholder, explanations and possible opinion of the Management Board of the Company are stated, will be made available to shareholders at the Company websites ([www.span.eu](http://www.span.eu)), if the shareholder submits to the company at the address of the Company registered office (Span d.d., Koturaška cesta 47, 10 000 Zagreb) their counterproposal at least 14 days before the day the General Assembly takes place. The day of the receipt of the counterproposal at the Company is not calculated in this deadline of 14 days. If the shareholder does not exercise this right, that will not result in the loss of the right for placing a counterproposal at the General Assembly. The above also applies adequately to placing a proposal of the shareholder on election of members of the Supervisory Board of the Company or appointing the auditor of the Company.

15. The Management Board of the Company will give to every shareholder at the General Assembly, upon his/her request, notifications on the operations of the Company, if that is required for assessment of the issues included in the agenda, whereby notification may be denied for reasons specified in the Companies Act.

16. The materials for the General Assembly, for which it is provided for by law, are available for review to shareholders and for issuance of copies at the registered office of the Company in Zagreb, in Savska cesta 32, every workday from the day of the invitation for the General Assembly until the date of the General Assembly, from 10:00 a.m. to 02:00 p.m. The materials are published on the Company network (<https://www.span.eu/hr/investitori>) on the same day.

We ask shareholders to announce their arrival and the registered office of the Company a day earlier to the email address for relation with investors (investors@span.eu;) or by phone at the contacts below.

In Zagreb, May 2nd 2022

Span d.d.  
The Management Board

Contact:

Investor Relations:

Petra Keča Vidović | Investor Relations Manager

investors@span.eu | T +385 1 6690 210 | M +385 91 6224 455

[www.span.eu](http://www.span.eu)

Explanation of proposals for decisions of the General Assembly;

Ad 1. Explanation with the proposal for election of the President of the General Assembly;

Lawyer Stjepan Lović is a partner in the law firm Grubišić & Lović & Lalić with many years of experience in commercial law and company law. Mr. Lović has many years of experience in conducting general and extraordinary assemblies of companies and preparing the documentation prescribed by law and social acts so that the assembly can properly make all necessary decisions. He also has experience in conducting meetings and other bodies of companies, as well as representing members at company assemblies. Therefore, his election for the President of the General Assembly is proposed for this convocation.

Ad 2. Annual financial statements of the Company and consolidated financial statements of Span Group for 2021, Annual report on the status and operation of the Company and Span Group for the 2021 financial year, and Report of the Supervisory Board on the supervision of the operation of the Company in 2021.

Pursuant to the obligation referred to in Article 280.a paragraph 1 point 2 of the Companies Act, Span d.d. informs the shareholders that based on Article 300 d of the Companies Act and Article 25 of the Statute of the Company, the Management Board and the Supervisory Board of the Company adopted the Annual financial statements of the Company and consolidated annual financial statements of Span Group for the year 2021, so the General Assembly does not decide on them.

The above reviewed financial statements will be presented to the General Assembly of the Company together with the Annual statement on the status and operation of the Company and Span Group for the 2021 financial year, and the Supervisory Board Report on the management of the Company in the 2021 financial year.

The General Assembly under this point of the agenda does not adopt any decision.

Ad 3. Explanation with the proposal of the decision on the use of profits

The Management Board and the Supervisory Board of the Company propose to the General Assembly adoption of a decision by which a part of the net profits in the amount of HRK 5.00 per share will be used for payment of dividend to shareholders, and net profit for the 2021 financial year that remains after the payment of the dividend will remain in the retained profit of the Company.

The proposed dividend is within the range defined in the Dividend Policy of the Company and represents a payment of 40,6% of distributable profit acquired in 2021.

Ad 4. Explanation with the proposal for the decision on giving discharge to members of the Management Board of the Company for the 2021 financial year

Pursuant to Article 280 paragraph 3 of the Companies Act, the Management Board and the Supervisory Board of the Company propose to the General Assembly to adopt a decision giving discharge to members of the Management Board of the Company for the 2021 financial year. The Assembly is hereby proposed to approve the manner of work of the Management Board of the Company for the 2021 financial year.

Ad 5. Explanation with the proposal for the decision on giving discharge to members of the Supervisory Board of the Company for the 2021 financial year

Pursuant to Article 280 paragraph 3 of the Companies Act, the Management Board and the Supervisory Board of the Company propose to the General Assembly to adopt a decision giving discharge to members of the Supervisory Board of the Company for the 2021 financial year. The Assembly is hereby proposed to approve the manner of work of the Supervisory Board of the Company for the 2021 financial year.

Ad 6. Explanation with the proposal for a Decision on giving authorization to the Management Board of the Company for acquisition of the Company shares

Pursuant to the provisions of Article 233 of the Companies Act, the Company Management Board and Supervisory Board propose to the General Assembly to adopt a Decision giving authorization to the Management Board of the Company for acquisition of own shares of the Company. The authorization is given for a period of 5 (five) years, where the total amount, price at which own shares of the Company are acquired, the market and conditions of disposal are defined in line with the Companies Act. The Management Board of the Company must inform the first next General Assembly of the Company of the reasons and purpose of the acquisition of shares, their number and stake in the share capital, and about the countervalue of what the Company has given for those shares and is obliged to adopt a program for disposal of own shares of the Company for which it should obtain previous approval from the Supervisory Board of the Company.

Ad. 7. Explanation with the proposal for the Decision on approval of the Remuneration Reports for the Management Board and the Supervisory Board in the 2021 financial year.

Pursuant to Article 272 r of the Companies Act, the Management Board and the Supervisory Board of the Company compiled the Remuneration Report for the Management Board and the Supervisory Board in the 2021 financial year and passed it to be audited in accordance with the law. The auditor of the annual financial statements, Deloitte d.o.o., examined the Report and gave its opinion on the compliance of the statements with the requirements provided for in Article 272 r paragraphs 1 and 2 of the

Companies Act. The Report, together with the auditor's opinion has been published as Attachment 1 to the Invitation for this General Assembly.

Approval of the Report is proposed. The Company takes that the remuneration of members of the Management Board and the Supervisory Board of the Company corresponds to the engagement and jobs they perform and the status and operations of the Company.

Ad 8. Explanation with the Decision on giving consent for the Remuneration Policy of the Company

Pursuant to Article 247 a of the Companies Act, the Supervisory Board of the Company, in cooperation with and with recommendations of the Nomination and Remuneration Committee of the Company prepared a proposal for the Remuneration Policy. The Remuneration Policy defines remuneration of the members of the Management Board of the Company which they are entitled to during their work in the Company with a purpose of ensuring balanced, sustainable and transparent receipts of the members of the Management Board, which reward their contribution to the success of the Company. This Remuneration Policy applies for a period of 4 (four) years, including the financial year in which it was adopted. Audit of the Remuneration Policy is conducted as required, and the Supervisory Board of the Company is obliged to request approval from the General Assembly of the Company for any significant amendment of the Policy. The Supervisory Board of the Company, in line with Article 276 a of the Companies Act submits the Remuneration Policy published as Attachment 2 of the Invitation for the General Assembly to the General Assembly for adoption.

Ad 9. Explanation with the proposal of the Decision on remuneration to members of the Supervisory Board

Pursuant to Article 269 paragraph 3 of the Companies Act and in line with the applicable decisions and competences of the Supervisory Board of the Company, the Supervisory Board proposes to the General Assembly adoption of a decision on remuneration for operation of the members of the Supervisory Board of the Company. For a purpose of independence and full objectivity of the members of the Board, the remuneration of the Supervisory Board does not depend on the results of the Company and does not contain a variable part.

Ad 10. Explanation with the proposal for appointment of the auditor of the Company

Pursuant to Article 280 paragraph 3 of the Companies Act, the Supervisory Board of the Company proposes to the General Assembly to adopt a decision appointing Deloitte limited liability company for audit services, with the registered office in Zagreb, Radnička cesta 80, (Zagreb Tower), MBS 30033053, OIB 11686457780 entered in the

Auditor Company Register kept at the Croatian Audit Chamber under the registration number 100001360.



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

To the Management Board and the Supervisory Board of SPAN d.d.

We were engaged by the Management Board of SPAN d.d. ("Company") to conduct, in accordance with the provisions of Article 272.r paragraph 3 of the Companies Act, a limited assurance engagement for the accompanying Remuneration Report for the year ended on 31 December 2021 ("Remuneration Report"), prepared by the Management Board and the Supervisory Board of the Company.

Our task is, based on procedures conducted and evidence collected, to 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 paragraph 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 on 31 December 2021 ("Remuneration Report") prepared by the Management Board and the 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 paragraphs 1 and 2 of the Companies Act.

### *Responsibilities of the Management Board and the Supervisory Board*

The Management Board and the Supervisory Board of the Company are responsible for:

- Preparing the Remuneration Report for the year 2021 in line with the disclosure requirements specified in Article 272.r paragraphs 1 and 2 of the Companies Act,
- Specifying individuals to be included in the Remuneration Report in line with Article 272.r paragraph 1 of the Companies Act,
- Selecting and applying relevant remuneration policies as well as making reasoned judgments and assessments concerning data disclosed in the Remuneration Report,
- Measuring remuneration for the year ended 31 December 2021 in line with the provisions of Article 272r paragraphs 1 and 2 of the Companies Act,
- Releasing the Remuneration Report on the Company website in line with the provisions of Article 272.r paragraph 4 of the Companies Act.

The Management Board of the Company is responsible for the design, implementation and maintenance of internal control systems that reasonably ensure that the data described above does not contain material misstatements, whether due to fraud or error. Additionally, the Management Board and the Supervisory Board of the Company are responsible to ensure completeness and accuracy of documentation provided to us.

The company was registered at Zagreb Commercial Court: MBS 030022053; paid-in initial capital: Kn 44,900.00; Company Directors: Marina Tonžetić, Dražen Nimžević, Katarina Kadunc; Bank: Privredna banka Zagreb d.d., Radnička cesta 50, 10 000 Zagreb, bank account no. 2340009-1110098294; SWIFT Code: PBZGHR2XIBAN: 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 paragraph 3 of the Companies Act and in line with the *International Standard for Assurance Engagements 3000 – (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000)*. 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 Management 1 (ISQM1)*, and in accordance with the above, we maintain an overall quality control system including documented policies and procedures related to the compliance with the ethical requirements and professional standards, and with applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements set out in the Code of Ethics for Professional Accountants, which sets out the basic principles of integrity, objectivity, professional competence and due diligence, confidentiality and professional conduct.

### *Summary of the work performed*

The nature and scope of our procedures are determined in terms of assessment of risk and our professional judgment in order to obtain limited assurance.

Concerning the engagement subject, we implemented the following procedures:

- We made inquiries to the members of the Management Board, the Supervisory Board and other Company staff in order to acquire understanding of remuneration policies and the Remuneration Report preparation procedures;
- We obtained from the Company a list of all the members of the Management Board and the Supervisory Board of the Company during 2021 and verified whether their remuneration was disclosed in the Remuneration Report;
- We adjusted information on the remuneration shown in the Remuneration Report with the accounting records of the Company (general and special ledgers) for the year ended 31 December 2021;
- We verified, based on a sample, the relevant documentation of the Company (contracts and payments) related to remuneration data disclosed in the Remuneration Report; and
- We verified whether the Remuneration Report contains all data required by the provisions of Article 272.r paragraphs 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 risks assessed.

We believe that the evidence we obtained is sufficient and adequate to make an appropriate 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 performed and evidence collected, nothing attracted our attention prompting us to believe that the Remuneration Report for the year 2021 prepared by SPAN d.d. did not contain data, in all material aspects, in line with Article 272.r paragraphs 1 and 2 of the Companies Act.

### *Limitations on the use of our Report*

Our Report is intended solely for the Management Board and the 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 publication of this report on the Company website in line with provisions of Article 272.r paragraph 4 of the Companies Act. Our Report is not, nor does it constitute, a legal opinion on the compliance with Article 272.r paragraph 4 of the Companies Act.

In case of additional information or data provided to us, or in case of misleading oral or written statements or explanations, our findings, interpretations or conclusions in our independent report with the limited assurance engagement might be incomplete or might result in a need for additional procedures not included in the scope of this engagement.

To the greatest extent as permitted by law, we do not accept any responsibility and do not accede to any obligations to any party other than the Management Board and the Supervisory Board of the Company, related to our work or this independent report with limited assurance engagement or conclusions we came to.

The Management Board and the Supervisory Board of the Company are responsible for publishing the Remuneration Report on the Company website, and the accuracy of the data contained. The scope of our published work does not include the review of the above and we do not take any responsibility for any amendments that could occur in the Remuneration Report based on the Independent assurance engagement report or any difference 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.

Deloitte d.o.o.

29 April 2022

Radnička cesta 80

10 000 Zagreb

Republic of Croatia

Pursuant to Article 272.r of the Companies Act (Official Gazette no. 111/1993, 34/1999, 121/1999, 52/2000, 118/2003, 107/2007, 146/2008, 137/2009, 111/2012, 125/2011, 68/2013, 110/2015, 40/2019, 34/2022, hereinafter referred to as: Companies Act), the Management Board and the Supervisory Board of SPAN d.d. (hereinafter referred to as: Company or Span d.d.) hereby compile the following:

## **REMUNERATION REPORT FOR THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD FOR 2021**

### **1. Introduction**

The Remuneration Report for members of the Management Board and the Supervisory Board of Span d.d. for the 2021 financial year is made with a purpose of meeting the obligation from Article 272.r of the Companies Act.

The Remuneration Report provides information on all the remuneration the Company paid to or undertook to pay to the current and former member of the Management Board and the Supervisory Board during the last financial year.

On the date of compilation of the Report, Span d.d. has not adopted the Remuneration Policy.

Given that the shares of SPAN d.d. were listed on the regulated market of the Zagreb Stock Exchange on 21 September 2021, the Supervisory Board of SPAN d.d. pursuant to Articles 247 and 276a of the Companies Act will propose to the General Assembly to adopt a decision, at the session in 2022, on adopting the Remuneration Policy to be submitted by the Supervisory Board.

The remuneration of members of the Management Board that was paid during 2021, or which the Company undertook to pay before the adoption of the Remuneration Policy, were paid in line with the provisions of the Articles of Association of the Company, the Employment Contract of the members of the Management Board and the Decision of the Supervisory Board on the variable part of remuneration for the performance of members of the Management Board for 2021. Remuneration and valuation of the work of the Management Board of Span d.d. is focused on the sustainable development and growth of the Company.

Remuneration for the work of the members of the Supervisory Board is defined and approved by a Decision of the General Assembly on remuneration of members of the Supervisory Board of 19 February 2021 for the period from 1 January 2021 until the adoption of the Decision of the General Assembly on remuneration of the members of the Supervisory Board for 2021, which was adopted on 18 June 2021.

The Remuneration Report provides information on all remuneration the Company paid to or undertook to pay to the current and former member of the Management Board and the Supervisory Board during the last financial year. The remuneration strategy is oriented to accomplishment of the company goals. By constructing rewarding schemes, the Company strives to adjust the amount of the total remuneration of the managers and employees to their personal interests, the Company strategic goals and to interests of the shareholders of the Company.

## **2. Management Board**

The Management Board of Span d.d. included 6 members by 30 November 2021, and 5 members as of 30 November 2021. All 6 members exercise the right to remuneration based on the employment contract of members of the Management Board and the Decision of the Supervisory Board on the variable part of remuneration for the achieved results of members of the Management Board for 2021.

In 2021, the Management Board of Span d.d. consisted of the following members:

- Nikola Dujmović – President of the Management Board,
- Marijan Pongrac – Member of the Management Board
- Dragan Marković – Member of the Management Board
- Antonija Kapović – Member of the Management Board
- Saša Kramar – Member of the Management Board, and
- Damir Bočkal – Member of the Management Board by 30 November 2021

The status of the members of the Management Board is regulated through provisions of the Company Articles of Association and employment contracts of members of the Management Board.

### **2.1 Remuneration of members of the Management Board**

In 2021, the members of the Management Board of Span d.d. exercised their right to the following remuneration:

- Monthly salary,
- Annual bonus,
- Allowances and fringe benefits

All the above remuneration, including cash and non-cash one, is related to the values and strategies of the Company. The remuneration is fixed and variable. The fixed remuneration reflects relevant professional experience, competence and organizational responsibility of the members of the Management Board whereas the variable remuneration is based on the performance.

Since the members of the Management Board of Span d.d. act and adopt decisions jointly, they have the same scope of responsibilities so that to act in the best interest of the Company, the fixed monthly remuneration/salary for membership in the Management Board of the Company is defined as a single amount for all the members and amounts to gross HRK 75,000. The monthly salary does not depend on meeting the goals and performance of a member of the Management Board but reflects the complexity



of jobs, competence and legal and organizational responsibilities of the members of the Management Board for managing the operations of the Company.

Defining the variable part of the salary/bonuses for the members of the Management Board of Span d.d. is related to rewarding work performance of the members of the Management Board based on their meeting financial and non-financial criteria set by the Supervisory Board for 2021.

The amount of gross remuneration in 2021 (independent on the period which the disbursement relates to) for the members of the Management Board of Span d.d. is presented in the table below:

Name and surname	Gross annual salary/remuneration (Gross 2)	%	Other receipts	%	Variable part shares	%	Total disbursed annual remuneration
	1	2	3	4	5	6	7 (1+3+5)
Nikola Dujmović	HRK 1,115,433	81%	HRK 20,820	2%	HRK 240,408	17%	HRK 1,376,661
Marijan Pongrac	HRK 1,089,900	72%	HRK 14,320	1%	HRK 400,681	27%	HRK 1,504,901
Dragan Marković	HRK 1,075,454	81%	HRK 17,820	1%	HRK 240,408	18%	HRK 1,333,682
Antonija Kapović	HRK 1,072,144	81%	HRK 19,020	1%	HRK 240,408	18%	HRK 1,331,572
Saša Kramar	HRK 1,128,667	84%	HRK 18,420	1%	HRK 200,340	15%	HRK 1,347,427
Damir Bočkal	HRK 1,003,269	71%	HRK 3,960	0%	HRK 400,681	28%	HRK 1,407,910

\*Other receipts - transportation, Christmas allowance, jubilee awards, supports, gift for children, non-taxable rewards, voluntary pension pillar

The variable remuneration paid out in April 2021 relates to reward for 2020, and is derived from the allocated shares as stated below:

Name and surname	Number of allocated shares	Total amount of receipt in shares
Nikola Dujmović	300	240,408
Marijan Pongrac	500	400,681
Dragan Marković	300	240,408
Antonija Kapović	300	240,408
Saša Kramar	250	200,340
Damir Bočkal	500	400,681
<b>TOTAL</b>		<b>1,722,926</b>

Based on the Decision of the Supervisory Board on the variable part of the remuneration for achieved results by the members of the Management Board for 2021, the amounts below were reserved on behalf of the variable remuneration for the members of the Management Board in 2021.

- Annual bonus

The annual bonus is defined in line with the accomplishment of financial and non-financial goals and related KPIs for 2021. In case the KPIs are met, the highest amount of the annual bonus that can be paid to any member of the Management Board is 1,000 shares of SPAN.

Name and surname	Number of allocated shares	Total amount of receipts in shares
Nikola Dujmović	1000	282,723
Marijan Pongrac	1000	282,723
Dragan Marković	1000	282,723
Antonija Kapović	1000	282,723
Saša Kramar	1000	282,723
Damir Bočkal	1000	282,723
<b>TOTAL:</b>	<b>6000</b>	<b>1,696,335</b>

- IPO bonus

In addition to the annual bonus, the members of the Management Board who are also the members of the IPO project team are entitled to a bonus that relates to remuneration for participation in the procedure for enlisting the Company on the market of the Zagreb Stock Exchange and the Initial Public Offering (IPI) of shares, according to their engagement.

Name and surname	Number of shares intended for allocation	Total amount of remuneration in shares in HRK
Dragan Marković	526	148,712
Antonija Kapović	223	63,047
Saša Kramar	526	148,712
<b>TOTAL:</b>	<b>1275</b>	<b>360,471</b>

A decision on payment and the amount of the total bonus is taken by the Supervisory Board within 30 days from the date the annual financial statements for 2021 have been adopted.

## 2.2. Comparative presentation of movements of revenues/profits of the Company and receipts of the members of the Management Board

Year	in HRK '000		in HRK	
	Total revenues of the Company	Net profit of the Company	Average gross annual receipts per employee	Average gross annual receipts per member of the Company Management Board
2017	323,442	8,865	211,690	796,528
2018	353,775	9,346	222,416	802,881
2019	338,740	3,172	222,833	778,731
2020	418,102	6,496	238,480	1,149,532
2021	548,980	19,359	270,746	1,396,733

The calculation of the average gross annual receipts of employees takes into account the fixed parts of the compensation of the employee (regular salary, allowances for work in shifts, alert-by, overtime etc.), variable parts such as the annual bonus (quarterly incentives or various remuneration for work performance) and all material rights (compensation for transportation expenses, Christmas allowances, jubilee awards, supports, gifts for children, etc.). The number of employees for an individual year is calculated as the average of the final status during the working year.

The average gross annual remuneration of the members of the Management Board has also taken into account both fixed and variable parts of remuneration paid during the stated period.

## 2.3. Additional information

The amount of remuneration paid to the members of the Management Board is defined with the purpose of attracting, motivating, and retaining skilled staffs and promoting the good and effective risk management and discouraging risk-taking above the level the Company deems acceptable.

In 2021, the Company did not request refund of any variable part of the salary.

During 2021, there were changes of members of the Management Board of Span d.d. (Damir Bočkal was the Member of the Management Board by 30 November 2021), however, there were no payments by the Company based on early cessation of the membership in the Management Board.



The members of the Management Board were also not paid nor is there any liability for payment of receipts from third parties in relation to jobs they performed as the members of the Management Board of Span d.d.

### 3. Supervisory Board

The Supervisory Board of Span d.d., in line with the Articles of Association, supervises the work of the Management Board, and consists of 4 members who exercise their right to remuneration for their participation in the Supervisory Board in line with a Decision of the General Assembly of the Company.

During 2021, from 1 January to 31 December, the Supervisory Board of Span d.d. consisted of the following members:

- Jasmin Kotur – President of the Supervisory Board,
- Aron Paulić – Vice-President of the Supervisory Board (changed position of the member of the Management Board as of 14 October 2021)
- Zvonimir Banek – Member of the Supervisory Board (stopped being the Vice-President of the Supervisory Board on 14 October 2021),
- Ante Mandić – Member of the Supervisory Board,

Jasmin Kotur and Zvonimir Banek, members of the Supervisory Board, are also employees of the Company. In the tables below, the fixed remuneration for the stated persons relates only to compensation for work as the members of the Supervisory Board and does not include their remuneration based on the employment contracts as employees of the Company.

#### 3.1. Remuneration of members of the Supervisory Board

Remuneration for the work of the members of the Supervisory Board was defined and approved by Decision of the General Assembly on receipts of members of the Supervisory Board of 19 February 2021 in the amount of HRK 2,500.00 gross per session for the period from 1 January 2021 until the adoption of the Decision of the General Assembly on remuneration of the members of the Supervisory Board for 2021, adopted on 18 June 2021, by which the remuneration for work of the members of the Supervisory Board was determined in the amount of HRK 6,250 per session.

Name and surname	Position	Total paid gross remuneration for 2021
Jasmin Kotur	President of the Supervisory Board	22,844
Zvonimir Banek	Member of the Supervisory Board	22,844
Ante Mandić	Member of the Supervisory Board	14,781
Aron Paulić	Vice-President of the Supervisory Board	14,781

Former Members of the Supervisory Board who were paid remuneration during 2021 for sessions that took place in 2020:

Name and surname	Position	Total paid gross remuneration for 2021
Denis Smolar	Member of the Supervisory Board	8,063
Herbert Zornpfenning	Member of the Supervisory Board	8,063

The Company believes that the remuneration paid to the members of the Supervisory Board corresponds to the engagement and jobs they perform within the Board and the status and operations of the Company.

### 3.2. Additional information

In order to keep their independence and objectivity, remuneration of the members of the Supervisory Board does not depend on the results of the Company and does not contain a variable part of the remuneration (bonus) or entitlement to any additional receipt/benefit in kind.

During 2021, the Company did not give any advance payments or loans to members of the Supervisory Board.

In 2021, the Company had liabilities in the amount of HRK 293,314 under a contract on business cooperation towards B U G d.o.o., a company whose director is Aron Paulić. This is a years-long business cooperation that includes services of announcement, advertising campaigns, writing PR articles and sponsorships at conferences relevant for the IT industry (sponsorship of Bug Future Show, Fintech conference, debug conference with media coverage on debug.hr sites).

During 2021, there was no change of members of the Supervisory Board.

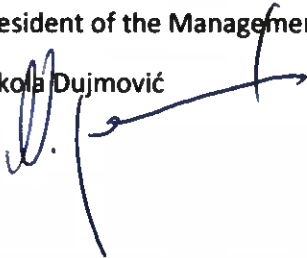
### 4. Approval of the Report

The Remuneration Report for the Management Board and the Supervisory Board of Span d.d. was approved and adopted by the Management Board and the Supervisory Board on 29 April 2022.

In Zagreb, 29 April 2022

President of the Management Board:

Nikola Dujmović



President of the Supervisory Board:

Jasmin Kotur



Pursuant to Article 247a of the Companies Act (Official Gazette no. 111/1993, 34/1999, 121/1999, 52/2000, 118/2003, 107/2007, 146/2008, 137/2009, 111/2012, 125/2011, 68/2013, 110/2015, 40/2019) and the Corporate Governance Code of the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency (HANFA), the Supervisory Board of the Span IT System Design Joint Stock Company, with the registered office in Zagreb (City of Zagreb), Koturaška cesta 47, entered in the Court Register of the Commercial Court in Zagreb under the Reg. number of the registered entity (MBS): 080192242, OIB: 19680551758, (hereinafter referred to as: Company) proposes to the General Assembly to adopt, at the session to take place on 13 June 2022, a Decision adopting the following

## **REMUNERATION POLICY OF SPAN D.D.**

### **INTRODUCTION**

#### **Article 1**

The remuneration policy (hereinafter referred to as: Remuneration Policy) shall specify the remuneration of the members of the Management Board they are entitled to during their work in the Company. The purpose of the Remuneration Policy shall be to ensure balanced, sustainable and transparent remuneration of members of the Management Board, which rewards their contribution to the success of the Company.

### **REMUNERATION POLICY PRINCIPLES**

#### **Article 2**

The Remuneration Policy shall be based on the following principles of remuneration of members of the Management Board:

1. Balance and transparency of all elements of remuneration,
2. Remuneration according to performance and responsibility for the achieved results
3. Emphasis on fixed remuneration, which does not encourage excess risk-taking, whereby the variable remuneration is connected to the total achievement of the Company goals,
4. Defining short-term and long-term goals as well as financial and non-financial goals,
5. The remuneration should be real and competitive and should follow the condition and practice on the relevant IT industry market

### **REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD**

#### **Article 3**

The Company agrees on the right to the following remuneration with the member of the Management Board:

1. Monthly salary,

2. Annual bonus,
3. Allowances and fringe benefits.

When determining the amount and type of remuneration, the relevant business practices are taken into account in determining the remuneration for the managing staff and the conditions and practices on the IT industry market.

Fixed remuneration shall be at least 60% of the total remuneration.

## **MONTHLY SALARY**

### **Article 4**

The monthly salary shall be a fixed part of the remuneration of the member of the Management Board and is agreed in gross amount.

The monthly salary shall not depend on meeting the goals and performance by the member of the Management Board, and it shall reflect the complexity of jobs, competence and legal and organizational responsibility of the members of the Management Board for managing the operations of the Company.

## **ANNUAL BONUS**

### **Article 5**

The annual bonus shall be a variable part of the remuneration of a member of the Management Board and may amount up to 40% of the annual salary of the member of the Management Board, whereby the annual salary of the member of the Management Board shall be 12 gross monthly salaries of the member of the Management Board specified in an employment contract of the member of the Management Board signed between an individual member of the Management Board and the Company.

The purpose of the annual bonus shall be to reward the performance of the member of the Management Board based on the achievement of financial and non-financial goals for a particular financial year according to the criteria such as:

- Financial criteria (consolidated operating income, consolidated EBITDA, consolidated net profit etc.),
- Successful opening of new markets, acquisition of new international users, etc.,
- Growth of sale of certain types of services,
- Increasing satisfaction of employees, retaining key employees or other relevant HR goals

The above criteria are related to accomplishing the strategy and the operating growth of the Company.

The Supervisory Board of the Company, at the start of each financial year, as a rule shall specify the financial and non-financial goals of the Company for that year as well as the key performance indicators (KPIs) that will be taken into account when determining whether the goals set have been achieved.

A member of the Management Board shall exercise their right to receive the annual bonus according to the achieved percentage of the target value of KPIs determined by the Supervisory Board for members of the Management Board that were employed in the Company or its related companies for longer than 6 months (at least 6 months + 1 day) of the financial year, and will be calculated proportional to the processed period in the financial year.

The method of determining whether the financial goals were met shall be the annual consolidated audited financial statement of the Group, whereas the assessment of non-financial goals shall be based on an official report of the Company and/or quantitative and/or qualitative surveys by adequate independent partners.

The financial and non-financial goals, the key performance indicators and the amounts of bonuses shall not be necessarily identical for all members of the Management Board.

A decision on payment and the amount of the annual bonus shall be taken by the Supervisory Board of the Company within 30 days from the date the annual financial statements for the year the annual bonus relates to have been adopted by the General Assembly of the Company.

The amount of the annual bonus shall be paid to the member of the Management Board within 60 days from the adoption of the decision by the Supervisory Board of the Company on payment and amount of the annual bonus.

## **SHARES**

### **Article 6**

The Company may decide to pay annual bonus in Company shares.

In case of payment in shares, the Company shall transfer on a member of the Management Board shares from the contingent of treasury shares.

The number of shares to be allocated to the Member of the Management Board shall be determined in a manner that the amount of the bonus specified by the Supervisory Board is divided by the latest price of the share on the regulated market on the day preceding the date the decision on payment of the bonus was adopted by the Supervisory Board. The number of shares shall not be rounded downwards.

Payment of the variable remuneration in shares shall contribute to the balance of interests of the Management Board and shareholders of the Company.

### **Article 7**

No category of variable remuneration of a member of the Management Board determined by this Policy shall be paid to a member of the Management Board if the employment with the member of the Management Board ceases by recall of the Member of the Management Board or termination at their own request, due to detected irregularities in work.

## **ALLOWANCES AND FRINGE BENEFITS**

### **Article 8**

Allowances and fringe benefits of a Member of the Management Board shall be as follows:

- Business car given for use 24 hours a day,
- Additional health insurance,
- Personal liability insurance policy,

## **CONTRACT WITH THE MEMBER OF THE MANAGEMENT BOARD**

### **Article 9**

A contract with the member of the Management Board shall establish employment for indefinite term and shall contract the performance of jobs of the member of the Management Board in line with the term of office which the member of the Management Board is appointed to. Presumptions for termination of the contract and termination, i.e. dismissal notices are adequately regulated by the provisions of the contract and applicable legal regulations.

The contracted termination notice shall be 3 months.

A liability for payment of severance pay shall occur in case of cancellation of the contract at the time it is valid by the Company, except in case of recall from the position of the member of the Management Board due to gross violation of duty. The severance pay shall be determined in the amount of 6 (six) gross monthly salaries specified in the contract with the member of the Management Board.

The Company shall not have any obligation to purchase pension service in case a member of the Management Board retires upon the termination of the Contract.

## **CONFLICT OF INTEREST**

### **Article 10**

To avoid conflict of interest, this Remuneration Policy specifies:

- The member of the Management Board shall not decide on their remuneration, rather the Remuneration Policy shall be proposed to the General Assembly of the Company by the Supervisory Board;
- The Supervisory Board, at the proposal of the Appointments and Remuneration Committee, shall specify the amount and method of payment of variable remuneration;
- Goals of members of the Management Board shall be set so as to pay attention to ethical proceeding and sustainable development of the Company

Except for the above, all the members of the Management Board, based on the employment contract, the Rules of Procedures of the Management Board, and the Conflict of Interest Management Policy shall be:

- Obligated to keep trade secrets during and after working for the Company;
- Prohibited to compete and get employed in companies that are in market competition with the Company in a 12 month period
- Prohibited to hold more than 5% business stakes or shares in companies performing activities competing the operation of the Company
- Entitled to be members in supervisory boards or other bodies only of companies that are a constituent part of Span Group or upon consent of the Supervisory Board and the Appointments and Remuneration Committee

## **APPOINTMENTS AND REMUNERATION COMMITTEE**

### **Article 11**

The Supervisory Board shall establish and appoint members of the Appointments and Remuneration Committee of the Supervisory Board of the Company.

Members of the Appointments and Remuneration Committee shall be appointed by the Supervisory Board for the time of 4 (four) years and they can be re-elected.

Names of members of the Appointments and Remuneration Committee and description of jobs shall be made available at the Company websites.

## **SUPERVISORY BOARD**

### **Article 12**

The Supervisory Board shall be obliged:

- To check regularly and as required adjust the Remuneration Policy,
- Change the goals of the annual and multi-annual bonus, and the right to withdraw from payment of the annual or multi-annual bonus in case of financial jeopardy of the Company or change of the circumstances on the market, in a manner that it adopts

decision on non-payment of variable remuneration or delay of payment of the variable remuneration,

- In case of fraudulent actions or disloyal proceeding by a member of the Management Board towards the Company, to take any actions and request refund of the money paid should or suspend payment of approved variable remuneration to the member of the Management Board ("Claw Back")
- To withdraw temporarily from the Remuneration Policy if that is necessarily required by the long-term welfare of the Company

### **Article 13**

The Supervisory Board shall be authorised to withdraw from this Policy in exceptional cases such as:

- Significant changes of market circumstances,
- Need for emergency reduction of expenses
- Impossibilities to employ a new member of the Management Board or retain a member of the Management Board due to the limitations from this Policy, which are the consequence of trends in the labour market.

In case of application of authorisations from this Article, the Supervisory Board shall adopt a Decision on Withdrawal from the Remuneration Policy and its statement of the reasons shall be a constituent part of the Remuneration Report for the year in which the withdrawal applied.

## **REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD**

### **Article 14**

Members of the Supervisory Board shall receive remuneration for their work in line with a special decision of the General Assembly of the Company. The amount of the remuneration shall be determined by the General Assembly in that decision.

The remuneration shall be determined in a fixed amount after the meeting of the Supervisory Board.

To keep independence and complete impartiality of the members of the Board, the remuneration of the Supervisory Board shall not depend on the results of the Company and shall not contain a variable part.

The Company shall deduct all the taxes, surcharges, contributions and/or other charges from the gross amount of the award.



## **PROCEDURE OF ADOPTION, IMPLEMENTATION AND SUPERVISION OF THE REMUNERATION POLICY**

### **Article 15**

The Supervisory Board shall adopt the Remuneration Policy at recommendation of the Appointments and Remuneration Committee, and at least once in four years shall submit it to the General Assembly for adoption.

If the General Assembly does not adopt the Remuneration Policy, it shall be reconsidered and resubmitted to the General Assembly for adoption.

At resubmission for adoption, the proposal of the Remuneration Policy shall contain a review on the extent to which the new reconsidered Remuneration Policy has accepted the results of voting and views of shareholders on the previous Remuneration Policy and reports on the remuneration.

The Remuneration Policy shall be a basis for compilation of the Remuneration Report submitted to the General Assembly once a year.

The Remuneration Policy shall be publicly available on the Company websites, for a period of 10 years at minimum.

## **FINAL PROVISIONS**

### **Article 16**

The HR Department shall provide professional assistance in interpretation and support to the Supervisory Board and the Appointments and Remuneration Committee related to the Remuneration Policy and any amendments.

The Remuneration Policy shall be released on the Company websites.

### **Article 17**

This Policy shall enter into force on the date of its adoption by the General Assembly of the Company and shall apply for a period of 4 (four) years, including the financial year in which it was adopted.

Review of the Policy shall be carried out as required, and any decision on amendment of the Remuneration Policy shall be adopted in line with the Rules of Procedures of the Supervisory Board of the Company, and in compliance with this Remuneration Policy and relevant legal provisions.

The Supervisory Board shall be obliged to request approval from the General Assembly of the Company for any significant amendments of the Remuneration Policy.

President of the Supervisory Board

Jasmin Kotur