

Pursuant to Art. 280.paragraph 1 in connection with Art. 247 a of the Company Act (Official Gazette 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), Management Board of Medika dd Zagreb, Capraška 1 at the request of Auctor d.o.o., Zagreb, Dežmanova 5, OIB: 19203050598, as a shareholder of Medika d.d. , Zagreb, Capraška 1, in accordance with Art. 278 para. 2 of the Companies Act announces

## AMENDMENT OF THE AGENDA OF THE GENERAL ASSEMBLY OF MEDIKA D.D.

which will be held on August 27, 2020 starting at 12.00 at the Company's headquarters.

The invitation for the General Assembly was published on June 24, 2020. g. in the Official Gazette no. 72/20.

The Agenda is supplemented by adding item 8 to the published Agenda:

8. Policy of remuneration of members of the Management Board for the four-year period 2020-2023.

Proposed decision:

Ad 8) It is proposed to make the following decision:

Pursuant to the provisions of Article 276 a. Para.1. in connection with Art. 247a of the Companies Act (OG 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 111/12, 68 / 13, 110/15, 40/19), (hereinafter the Law) the General Assembly held on 27.08.2020. year brought the following

### **THE POLICY OF REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD OF THE COMPANY FOR A FOUR-YEAR PERIOD 2020. – 2023.**

#### **1. BASIC PROVISIONS**

The remuneration policy of the Company's Management Board for the four-year period 2020-2023 (hereinafter: **the Policy**) aims to contribute to the business strategy, long-term interests of the Company and its shareholders, by ensuring transparent, sustainable and stimulating remuneration of the Company's Management Board. At the same time, the Policy encourages rewarding by performance, but also deterrence

from risks that exceed the business-acceptable risks for the Company, which creates the conditions for conducting the Company's business according to the principles of reasonable entrepreneurship.

In addition to the above, the Policy seeks to create conditions for attracting and retaining professional management staff who, appreciating the overall remuneration, intellectual and work environment, will contribute to sustainable growth and well-being of the Company, thus achieving the strategic goals of the Company and its employees. for the benefit of shareholders and society as a whole. The term members of the

Management Board in this Policy includes the President of the Management Board and members of the Management Board, unless explicitly stated otherwise.

## **2. CONTRACTS WITH MEMBERS OF THE MANAGEMENT BOARD**

Is/talks/ about working with members of the Management Board, in the name and on behalf of the Company, concluded by the President of the Supervisory Board of the Company, based on the decision of the Supervisory Board. The members of the Management Board are employed by the Company, and the contract for performing the duties of a member of the Management Board is concluded for the term of office, with the possibility of concluding a new contract in case of reappointment.

The competencies of the President of the Management Board and the members of the Management Board are determined by their agreements and the Rules of Procedure of the Management Board.

The Supervisory Board may, during the term of office, recall the members of the Management Board from office, if there is an important reason for that. An important reason is considered to be a gross breach of duty, and inability to properly perform the Company's business for more than 60 days.

In case of revocation, members of the Management Board are entitled to severance pay determined by the contract.

A member of the Management Board is not entitled to severance pay in the event of resignation, and with no fault of the Company, and is also not entitled to severance pay if he is revoked for gross violation of legal obligations or breach of contractual obligations to maintain business secrets and prohibition of competition, as well as in the event that he is found criminally liable for the offenses referred to in Art. 239 par. 2 of the Companies Act.

If, after the expiration of the mandate, a new contract on the performance of the same tasks is not concluded with the member of the Management Board, the member of the Management Board shall be provided with other tasks that correspond to his / her education and ability acquired by work. In the event that a member of the Management Board does not wish to accept the offered contract and continue employment in the Company, he is entitled to severance pay determined by the contract.

### **3. REMUNERATION OF MANAGEMENT BOARD MEMBERS**

Remuneration of members of the Management Board is determined by contract and includes fixed and variable remuneration, and the total remuneration for their work includes other monetary and / or non-monetary benefits related to performing their tasks as members of the Management Board.

#### **Fixed remuneration**

Fixed remuneration of members of the Management Board consists of their basic salary, which is determined in the monthly gross amount and represents full compensation for the work performed by the member of the Management Board on the basis of a concluded contract, with the exception of annual remuneration. Consequently, a member of the Management Board is not entitled to overtime pay, and salary compensation for annual leave, paid leave, sick leave, holidays, non-working days, and other similar benefits are paid to the Management Board in accordance with the relevant general acts of the Company.

Fixed remuneration reflects the professional experience and competencies of a member of the Management board, and also takes into account the situation on the labor market and in comparable companies (size, activity, complexity of structure and jobs) in the region, taking into account remuneration and working conditions in the Company.

The annual remuneration, to which the members of the Management Board are entitled if the Supervisory Board accepts the annual financial statements for the previous business year, is also determined in part in a fixed amount that is not subject to a special decision of the Supervisory Board.

#### **Variable remuneration**

Members of the Management Board are also entitled to a variable part of the annual remuneration, according to the decision of the Supervisory Board of the Company.

The Strategic Development Guidelines of the Company for 2020-2022 recognize that it is easier to win a leadership position than to maintain it, and one of the basic goals put before the Management Board is to strengthen the market position and remain a market leader. Also, in accordance with the Strategic Guidelines, the Company's goal is to increase revenues, among other things, from additional services.

Market share is determined according to an objective analysis ordered by the Company from an external and independent provider of the services in question, while the revenues are determined according to the audited annual financial statements of the Company.

Following the above, and in direct connection with the objectives set out in the Strategic Guidelines, the Supervisory Board will make a decision on the payment of the variable part of the annual remuneration.

The annual remuneration is paid to the members of the Management Board in cash or by transferring the Company's shares according to their market value on the day of

the Supervisory Board's decision, provided that the Company is entered in the share register as the holder of own shares. If at the time of maturity of the annual award the Company is not the holder of its own shares which it is authorized to dispose of, the entire amount of the annual award will be paid in cash.

If a member of the Management Board acquires shares of the Company in the name of an annual award, he is not obliged to keep the shares for a certain period of time after acquiring them, ie he is authorized to freely dispose of them from the moment of acquisition.

By paying the annual award in the Company's shares, the Management Board is encouraged to respect and preserve the interests of the Company's shareholders, which further stimulates their long-term participation in the Company's ownership structure, in accordance with Directive (EU) 2017/828 of 17 May 2017 amending Directive 2007/36 / EC with a view to encouraging the long - term participation of shareholders.

Members of the Management Board (or, in the event of his death, his successors determined by a final decision on inheritance) are entitled to the unpaid part of the annual remuneration for the completed relevant year, plus a proportional part of the annual remuneration from the relevant year in which the term ends.

If a member of the Management Board violates the contractual obligation to keep business secrets and prohibition of competition, as well as in the event that he is found criminally liable for the criminal offenses listed in Art. 239 para. 2 of the Companies Act, he is not entitled to an annual award.

### **3.1 3.1 Other benefits**

The Company will reimburse the members of the Management Board for the costs related to the performance of their function, ie the fulfillment of their contractual obligations, as follows: (i) costs of business consulting, (ii) membership fees in professional associations, (iii) costs of domestic and foreign professional literature, (iv ) visits to professional fairs and exhibitions, and (iv) professional seminars and similar forms of training.

In addition, members of the Management Board are entitled to: (i) use of the Company's official car for official and private purposes or a private car for official purposes, (ii) use of an official mobile phone, (iii) reimbursement of business representation expenses and (iv) reimbursement of official times at home and abroad.

All of the above are exercised by the members of the Management Board in the manner and under the conditions determined by the general acts of the Company or in the manner and under the conditions as may be subsequently agreed, depending on the circumstances, and members of the Management Board.

In addition to the above, the President of the Management Board has the right and obligation to perform a systematic medical examination once a year at the expense of the Company, and the Company also enters into a life insurance contract in the Republic of Croatia. shelves in favor of the President of the Management Board.

The Company has no obligation to purchase additional pension service for a member of the Management Board, if he retires early after the termination of the contract with the Company.

### **3.2 Deferred payment and refund of the variable part of remuneration**

There is no provision for deferred payment of part of the remuneration, nor for the obligation to return the paid variable parts of the remuneration.

In the event that the law requires a deferred payment of part of the remuneration and / or the obligation to return the paid variable parts of the remuneration, the provisions of the law shall apply.

## **4. MEASURES TO COMBAT CONFLICTS OF INTEREST**

Pursuant to the Rules of Procedure of the Management Board, a conflict of interest is any situation where there are objective private interests on the part of a member of the Management Board that conflict with the Company's interests, which may lead to decisions in the Company to the detriment of the best interests of the Society itself.

The rules that the members of the Management Board are obliged to follow in order to prevent conflicts of interest are determined by law, the Corporate Governance Code established by the Zagreb Stock Exchange d.d. and the Croatian Financial Services Supervisory Agency, the Rules of Procedure of the Management Board and the individual contracts of the members of the Management Board, and include, inter alia, the following

- a) when conducting business, members of the Management Board must be guided by the best possible interest of the Company, and no member of the Management Board may be guided by personal interest or use business opportunities intended for the Company for personal purposes,
- b) while conducting the business of the Company, members of the Management Board may not disclose or use information obtained in the exercise of their function for personal interests or the interests of third parties,
- c) in the event that a matter relating to the personal or economic interest of a member of the Management Board is discussed at a session of the Management Board, that member of the Management Board may not participate in the decision-making on that matter,
- d) a member of the Management Board is obliged, without delay, to inform the Supervisory Board and other members of the Management Board about his personal interest in the Company's affairs,
- e) material transactions between members of the Management Board, their related parties and the Company require the prior consent of the Supervisory Board of the Company,
- f) members of the Management Board may take over only a limited number of positions in the positions of the Management Board, Management Boards or Supervisory Boards of other legal entities, exclusively within the Medika Group,

and such functions must not prevent a member of the Management Board from conducting business;

- g) for membership in the Supervisory Board, Board of Directors or Management Board of other legal entities, a member of the Management Board must obtain the prior consent of the Supervisory Board of the Company.

## **5. POLICY MAKING, IMPLEMENTATION AND SUPERVISION**

In preparing the Policy, the conditions of workers' benefits determined by the Ordinance on salaries and other incomes of the Company's employees, as well as the conditions of work in the Company were taken into account.

The policy follows performance rewarding, provided by the Ordinance on salaries and other employee benefits, which, in addition to the basic salary of employees, classified according to the criterion of job complexity, also provides for (i) an incentive part of the salary that rewards work results. salaries of employees or in absolute amount and is paid in accordance with the decision of the Management Board, and (ii) remuneration for work results according to the criteria and in accordance with the decision of the Management Board.

Employees of the Legal, Personnel and Administrative Affairs Department were involved in the development of this Policy and provided, in addition to external expert associates, assistance to the Supervisory Board.

The Supervisory Board monitors the implementation of the Policy and examines the Report on Receipts from Art. 272.r of the Companies Act.

The Supervisory Board is authorized to temporarily deviate from the remuneration policy if it is necessary for the long-term well-being of the Company, especially in the case when it is required by the state of the Company and changes in market circumstances. The Supervisory Board submits a proposal for deviation from the Policy, stating the reasons and scope of the deviation, to the General Assembly for approval.

This Policy is submitted for approval to the General Assembly, in accordance with Art. 247a of the Companies Act and enters into force on the day of approval by the General Assembly of the Company.

Medika d.d.