



# **REMUNERATION POLICY**

## **FOR MEMBERS OF THE SUPERVISORY BOARD**

Zagreb, June 2020

## **1. UVOD**

MERITUS ULAGANJA d.d. (hereinafter: MERITUS ULAGANJA d.d. or Company) as an issuer of financial instruments, in accordance with legal obligations, adopts and implements the Remuneration Policy for members of the Supervisory Board (hereinafter: Policy), with the aim of internalising obligations defined by the applicable legislation of the Republic of Croatia.

This Policy defines the remuneration (receipts) paid to the members of the Supervisory Board for their work, and it reflects the amount of time they invest in their work and responsibility they take on in their work, including the time and responsibility they take on in the committees of the Supervisory Board in which individual members of the Supervisory Board participate.

Taking into account the specific role of the members of the Supervisory Board in the corporate structure of the Company, the remuneration paid to them does not include variable elements or other elements related to business performance.

Remuneration of members of the Supervisory Board should:

- adequately reflect the time, effort and experience associated with their functions, taking into account the time invested and responsibility taken;
- provide an adequate incentive that would balance the interests of the members of the Supervisory Board in relation to the function they perform in order to protect the interests of shareholders;
- be determined in a way that does not jeopardize the ability of members of the Supervisory Board to make decisions in the best interests of the Company and its shareholders.

## **2. CONTRIBUTION OF RECEIPTS TO THE BUSINESS STRATEGY AND LONG-TERM DEVELOPMENT OF THE COMPANY**

The remuneration policy for the members of the Supervisory Board is based on the principle of engaging, motivating and retaining qualified persons in the Supervisory Board.

The policy contributes to the business strategy and long-term development of the Company by ensuring balanced, sustainable and transparent remuneration to the members of the Supervisory Board, which undoubtedly significantly contributes to maintaining the long-term strategy and development of the Company.

### **1. FIXED AND VARIABLE RECEIPTS**

As already pointed out in the introductory part, taking into account the specific role of the members of the Supervisory Board in the corporate structure of the Company, the remuneration paid to them does not include variable elements or other elements related to business performance.

Given the above, the members of the Supervisory Board are not paid variable remuneration.

### **2. PERIODS FOR WHICH PAYMENT OF PART OF RECEIPTS IS DELAYED**

Receipts are paid to the members of the Supervisory Board in accordance with the decision of the General Assembly of the Company, which, in addition to the amounts provided for payment, also defines the schedule of payment.

The remuneration must be appropriate in relation to the tasks performed by the member

of the Supervisory Board and the condition of the Company.

Deferment of the payment of part of the receipts is not foreseen in advance.

### **3. PAYMENT OF PART OF RECEIPTS IN SHARES**

Receipts are paid to the members of the Supervisory Board as a monthly lump sum and no payment of receipts in shares is foreseen.

### **4. MEMBERSHIP IN THE COMMITTEES OF THE SUPERVISORY BOARD**

Members of the Supervisory Board who are also members of special committees of the Supervisory Board (Nomination Committee, Remuneration Committee and/ or Audit Committee) are entitled to remuneration only for membership in the Supervisory Board, but not for membership in special committees.

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

This Policy is recommended to the Supervisory Board by the Nomination and Remuneration Committee.

This Policy shall be submitted to the General Assembly for approval and shall enter into force upon the approval from the General Assembly.

The annual report on receipts must include data on the receipts of each individual member of the Supervisory Board. In addition to the information required by law, the report must include information on:

- all payments received by any member of the Supervisory Board from the Company or persons related to the Company in addition to the receipts received as a member of the Supervisory Board;
- all loans, advances or guarantees given to each member of the Management Board, by the Company or associated companies; and
- all gifts, services or other benefits of significant value received by an individual member of the Management Board.

The General Assembly shall decide whether to approve the reports on receipts for the previous business year which have been determined and audited in accordance with the provisions of the relevant law.