

ATLANTIC GRUPA d.d.
Miramarska 23
10 000 Zagreb

SECURITY: ATGR / ISIN: HRATGRRA0003
3ATG2 / ISIN: HRATGRO25CA5

LEI: 3157002G3ENYCZEB1A25

HOME MEMBER STATE: Croatia

REGULATED MARKET SEGMENT: Prime Market of the Zagreb Stock Exchange

Zagreb, 25 April 2024

- **regulated information (convocation of the general assembly)**

Notice on convocation of the General Assembly

Atlantic Grupa d.d., Miramarska 23, Zagreb (hereinafter: the Company) announces the Invitation to the General Assembly of the Company that will be held on 27 June 2024 starting at 14:00 hours in the Company headquarters in Zagreb, Miramarska 23, which Invitation is attached to this Notification, together with the proposed Agenda, proposed Decisions, pertaining documents and instructions for shareholders for reporting their participation and issuing of a power of attorney.

Atlantic Grupa d.d.



CIRCULAR

INVITATION TO THE GENERAL ASSEMBLY OF ATLANTIC GRUPA d.d.

Pursuant to the provisions of Article 277, paragraph 2 of the *Companies Act*, the Management Board of the company ATLANTIC GRUPA d.d. for domestic and international trade, with the registered seat in Zagreb, Miramarska 23 (hereinafter: "Atlantic Grupa d.d." or "Company"), on 23 April 2024 passed the decision on the convocation of the General Assembly of the Company and hereby invites the shareholders of the Company to the

GENERAL ASSEMBLY of Atlantic Grupa d.d.

to be held on 27 June 2024 at 14:00 hours at the Headquarters of the Company, Miramarska 23, Zagreb

With the following agenda:

1. Opening of the General Assembly, establishing the present and represented shareholders.....
2. Annual financial statements and consolidated financial statements of Atlantic Grupa for 2023, Annual Report on the Status and Business Operations Management of the Company for BY 2023 and the Supervisory Board's Report on the Performed Supervision of Business Operations Management of the Company in BY 2023.....
3. Decision on the approval of the Remuneration Report for 2023.....
4. Decision on use of retained earnings of the Company.....
5. Decision on issuing the note of release to the members of the Supervisory Board of the Company for BY 2023.....
6. Decision on issuing the note of release to the members of the Management Board for BY 2023
7. Decision on the approval of amendments to the Remuneration Policy for Members of the Management Board of Atlantic Grupa d.d.....
8. Decision on granting an authorisation for acquisition of treasury shares.....
9. Decision on the exclusion of pre-emption rights upon disposal of treasury shares.....
10. Decision on the election of auditors of the Company for the year 2024.....

Proposals of decisions of the General Assembly:

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

“

1. The Remuneration Report for 2023 with the accompanying Auditor's Report, which are published as Attachment 3 to the Invitation to this General Assembly, and which make an integral part of this Decision, are approved.
2. This Decision enters into force as of the date of its adoption.”

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

“

1. In the business year ending on 31 December 2023, Atlantic Grupa has realised a consolidated net income after minority interests in the amount of EUR 31,209,653.00, while Atlantic Grupa d.d. has realised the net loss of EUR 833,439.89.
2. The net loss of the Company from the business year 2023 in the amount of EUR 833,439.89 shall be covered from the retained (undistributed) profit of the Company realised in 2021.
3. The dividend in the amount of EUR 1.20 per share shall be distributed to the shareholders of the Company in proportion to the number of shares held by each shareholder. The dividend shall be paid from the retained earnings of the Company realised in the business year 2021.
4. The dividend shall be paid to all shareholders of the Company registered as such in the depository of the Central Depository and Clearing Company on 05 July 2024 (record date). The date on which the Company shares will be traded without the right to dividend payment shall be 04 July 2024 (ex date). The claim for dividend payment shall become due on 12 July 2024 (payment date).”

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

“

1. The note of release has been given to Zoran Vučinić, the Chairman and a member of the Supervisory Board of Atlantic Grupa d.d., for the business year 2023;
2. The note of release has been given to Siniša Petrović, the Vice Chairman and a member of the Supervisory Board of Atlantic Grupa d.d., for the business year 2023;
3. The note of release has been given to Zdenko Adrović, the President and a member of the Supervisory Board of Atlantic Grupa d.d., for the business year 2023;
4. The note of release has been given to Lars Peter Elam Håkansson, a member of the Supervisory Board of Atlantic Grupa d.d., for the business year 2023;
5. The note of release has been given to Franz Josef Flosbach, a member of the Supervisory Board of Atlantic Grupa d.d., for the business year 2023;
6. The note of release has been given to Vesna Nevistić, a member of the Supervisory Board of Atlantic Grupa d.d., for the business year 2023;
7. The note of release has been given to Aleksandar Pekeč, a member of the Supervisory Board of Atlantic Grupa d.d., for the business year 2023;
8. The note of release has been given to Monika Elisabeth Schulze, a member of the Supervisory Board of Atlantic Grupa d.d., for the business year 2023;
9. The note of release has been given to Anja Svetina Nabergoj, a member of the Supervisory Board of Atlantic Grupa d.d., for the business year 2023.”

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

- “
1. The note of release has been given to Emil Tedeschi, the President and a member of the Management Board of Atlantic Grupa d.d., for the business year 2023;
 2. The note of release has been given to Srećko Nakić, a member of the Management Board of Atlantic Grupa d.d., for the business year 2023;
 3. The note of release has been given to Enzo Smrekar, a member of the Management Board of Atlantic Grupa d.d., for the business year 2023;
 4. The note of release has been given to Zoran Stanković, a member of the Management Board of Atlantic Grupa d.d., for the business year 2023;
 5. The note of release has been given to Mate Štetić, a member of the Management Board of Atlantic Grupa d.d., for the business year 2023;
 6. The note of release has been given to Lada Tedeschi Fiorio, a member of the Management Board of Atlantic Grupa d.d., for the business year 2023;
 7. The note of release has been given to Neven Vranković, a member of the Management Board of Atlantic Grupa d.d., for the business year 2023.”

Ad 7. The Supervisory Board of the Company proposes to the General Assembly to adopt the following decision:

- “
1. The proposal of Amendments to the Remuneration Policy for Members of the Management Board is approved in the manner that part of the sentence in item 9 which reads: “introduced in 2021 with the envisaged implementation in 2022” is deleted, and new items 9, 10, 11 and 15 are added, which read:

“9. In order to build the Company's long-term competitive advantage, members of the Management Board are entitled to additional incentives in case of surpassing key performance indicators compared to the reference group of companies. The achieved incentive is calculated proportionally in relation to key performance indicators and can represent an amount ranging from 0% to 30% of the annual gross salary of a member of the Management Board who became eligible for the said incentive.

10. The President of the Management Board is authorised to, by his own decision and subject to the prior opinion of the Leadership Development and Compensation Committee, reward a member of the Management Board for their special achievements that contribute to the group's overall operations covering the Company and its associated companies. Such reward may not exceed 30% of the annual fixed remuneration under the valid Contract of the respective Management Board member, and it may be paid in shares, or, if the respective Management Board member is encompassed by Article 8 of this Policy, by cash payment. This type of reward is not included in the basis for calculating the annual bonus for the member's performance under the regular Contract.

11. The upper limit for the overall variable part of remuneration of an individual member of the Management Board, including long-term variable programmes, can reach up to 240% of their annual gross salary. The target performance level of a member of the Management Board, which implies 100% realisation of KPIs, results in 50% of the maximum variable remuneration.”

and

“15. In accordance with the remuneration guidelines of Atlantic Grupa, which take into account external competitiveness, internal alignment, transparency and compliance with local regulations, the target maximum annual remuneration for the President of the Management Board is defined as up to 25 times the average annual remuneration of all employees of Atlantic Grupa d.d., while for members of the Management Board, this maximum annual remuneration is defined as up to 20 times the average annual remuneration of said employees. Total remuneration includes all receipts for the Business Year, which include fixed gross salary, variable remuneration, as well as receipts in kind. The maximum annual remuneration is contingent upon significant surpassing of the set business objectives.”

while former items 9, 10, 11, 12, 13 and 14 become items 12, 13, 14, 16, 17 and 18.

2. The consolidated text of the Remuneration Policy for Members of the Management Board, which is published as an Attachment to the Invitation to this General Assembly and which makes an integral part of this Decision, is approved and it repeals the former version of the Remuneration Policy for Members of the Management Board.
3. The Remuneration Policy for Members of the Management Board is valid for 4 years from its approval.
4. This Decision enters into force as of the date of its adoption.”

Ad 8. The Management Board and the Supervisory Board of the Company propose to the General Assembly to adopt the following decision:

“

1. The General Assembly hereby authorises the Management Board to acquire treasury shares of the Company in the organised capital market during the period of 5 years from the date of the adoption of this decision.
2. The share of capital that refers to the acquiring of treasury shares together with the treasury shares already acquired shall not exceed one tenth (1/10) of the subscribed initial capital of the Company.
3. The lowest price per one treasury share is equal to the nominal value of one share whereas the highest price per one treasury share shall not exceed the average market price during 15 days preceding the acquiring of shares. The highest price of one treasury share may be increased for up to 5%, subject to the approval of the Supervisory Board of the Company.
4. The Company shall not trade with the treasury shares.
5. The Management Board of the Company may dispose of the already maintained treasury shares or the ones acquired on the basis of this decision without the General Assembly having to reach a decision on such a disposal.
6. This decision enters into force as of the date of its adoption.“

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

“

1. The Management Board of the Company may dispose of the already maintained treasury shares or the ones acquired on the basis of the decision of the General Assembly on granting authorisation to the Management Board to acquire treasury shares without the General Assembly

having to reach a decision on such a disposal, by which disposal the pre-emption rights of existing shareholders shall be excluded.

2. This decision enters into force as of the date of its adoption.“

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

“

1. For the purposes of performing the audit of the financial reports of the parent company Atlantic Grupa d.d. and its affiliated companies, and for the audit of the consolidated financial reports of Atlantic Grupa d.d. for the business year 2024, by performing the joint audit, the following certified auditors' companies are appointed:

Ernst & Young d.o.o., Radnička cesta 50, Zagreb, Croatia
and

Kulić i Sperk Revizija d.o.o., Radnička cesta 52, Zagreb, Croatia.

2. This decision enters into force as of the date of its adoption.”

**INSTRUCTIONS FOR SHAREHOLDERS
CONCERNING THEIR PARTICIPATION IN THE GENERAL ASSEMBLY
(hereinafter – the Instructions):**

Invitation, time and venue of the General Assembly:

1. The share capital of the Company is divided into 13,337,200 ordinary shares, each in the nominal amount of EUR 8.00, which are administered in the computer system of the Central Depository and Clearing Company (CDCC/SKDD) under the designation ATGR-R-A. Each share of the Company gives the right to one vote at the General Assembly.

2. The participants are invited to come to the General Assembly on 27 June 2024 at least 30 minutes prior to its scheduled beginning for the purpose of timely registration of participants and in order for the Committee for Participant Registration to make a list of participants in the General Assembly. When registering, the shareholders or their proxies or representatives have to submit to the Committee a valid identification document provided under law, while the proxies who are legal persons have to submit an excerpt from the court register or other appropriate register in which the legal person concerned is entered, or other appropriate public document, if such a document was not submitted with the application for participation in the General Assembly. After registration, the participants may leave the General Assembly only after informing the Committee for Participant Registration, until the conclusion of the General Assembly.

Participation and voting at the General Assembly:

Registration:

3. Each shareholder of the Company who has submitted to the Company, either personally or through their proxy or representative, an application for participation in written form at the latest six days prior to

the General Assembly meeting, which period does not include the day the application is received at the Company, or by 20 June 2024, has the right to participate in the General Assembly. A legal or natural person who is on the last day for application for participation in the General Assembly, i.e. on 20 June 2024, registered as a shareholder of the Company with the Central Depository and Clearing Company, Zagreb, is considered a shareholder of the Company.

4. The application shall have the following contents and attachments:

I. Application for shareholder – natural person

- name and family name, residence, address, OIB (personal identification number)
- number of the account opened with the Central Depository and Clearing Company and the total number of shares of the shareholder concerned

II. Application for shareholder – legal person

- company name of the legal person, seat and address, OIB (personal identification number)
- number of the account opened with the Central Depository and Clearing Company and the total number of shares of the shareholder concerned
- an excerpt from the court register or from other register in which the legal person is entered or a copy of such document, a certified copy or other appropriate public document clearly showing that the application was signed by a person who is under law authorised to represent the legal person concerned shall be attached to the application

III. Application submitted by shareholder's proxy

a) Proxy of natural person:

- name and family name, residence and address, OIB (personal identification number) of the proxy
- name and family name/company name; residence /seat, address, OIB (personal identification number) of the shareholder(s) which the proxy is representing, number of the account opened with the Central Depository and Clearing Company of each shareholder concerned and the total number of shares of the shareholder(s) concerned
- all individual powers of authority given by the shareholder(s) shall be attached to the application on the recommended form

b) Proxy of legal person:

- company name, seat and address and proxy's OIB (personal identification number)
- name and family name/company name; residence /seat, address, OIB (personal identification number) of the shareholder(s) which the proxy is representing, number of the account opened with the Central Depository and Clearing Company of each shareholder concerned and the total number of shares of the shareholder(s) concerned
- individual powers of authority given by shareholder in written form shall be attached to the application; if a shareholder is a legal person, the attachment shall contain an excerpt from the court register or other register in which the legal person is entered or a copy of such document, a certified copy or other public document clearly showing that the power of authority was signed by a person who is under law authorised to represent the legal person concerned.

5. As to minors and legally incapable or partially capable natural persons, the application shall be submitted by their statutory representative, who also represents them and who shall enclose with the application an original document or a copy or a certified copy thereof, showing their status as a statutory representative.

6. The applications for participation in the General Assembly shall be submitted directly to the Company at its seat in Zagreb, Miramarska 23, or sent to the Company by registered mail to the address: Atlantic Grupa d.d., Miramarska 23, 10000 Zagreb.

7. The applications for participation in the General Assembly shall be considered timely submitted if they are, in accordance with these Instructions, submitted or sent by mail to the Company by 24:00 hours on 20 June 2024 at the latest. The shareholders who have failed to apply for participation in the General Assembly correctly and in accordance with these Instructions or who have failed to attach to the application the documents provided under these Instructions shall not be entitled to participate in the General Assembly.

Power of Authority:

8. The power of authority for the application for participation and/or voting at the General Assembly shall include the name and family name or company name, residence or seat and address of the giver of authority, OIB (personal identification number) of the giver of authority, number of the shareholder's account with the Central Depository and Clearing Company of the shareholder, the total number of shares, name and family name or company name, residence or seat and address of the proxy, OIB (personal identification number) of the proxy, signature of the giver of authority or statutory representative or representative under law, if the giver of authority is a legal person.

9. It is recommended to use forms for the application for participation in the General Assembly and for the power of authority, which can be obtained on the website of the Company: www.atlanticgrupa.com.

10. The application for participation in the General Assembly and the power of authority, as well as any other attachments, shall be in the Croatian language; if they are in a foreign language, they also have to be translated into Croatian language by an authorised court interpreter.

11. The Company shall bear the costs of holding the General Assembly. Shareholders shall bear their own costs of arrival and participation in the activities of the Company's General Assembly.

Questions, proposals, counterproposals, materials and notifications:

12. The shareholders who intend to ask questions or submit proposals in the General Assembly regarding individual agenda items are hereby asked, for the purpose of more efficient organisation of the work of the General Assembly, to announce their intention in writing when submitting their application for participation in the General Assembly, or during the registration of participants prior to the General Assembly at the latest and to indicate the agenda item which their question or proposal will refer to, as well as the content thereof.

13. In case the shareholders who together own 5% of the share capital of the Company should request, after the General Assembly is convened, an additional subject to be included in the General Assembly's agenda and disclosed, then any new agenda item should be accompanied by an explanation and the respective decision proposal. The Company has to receive requests to add items to the agenda at least 30 days prior to the day of the General Assembly. This period does not include the day the request is received at the Company. In case the deadline is not observed, the proposed additional items of the agenda would be considered as not duly announced and no decision on them can be made at the General Assembly.

14. Counterproposals to the decision proposals submitted by the Management Board and/or Supervisory Board relating to the particular agenda item, made by shareholders with their names/family names, explanation and possible position of the Management Board shall be available to persons stated in Article 281, paragraphs 1 to 3 of the Companies Act as defined in Article 282 of the Companies Act, in case a shareholder submits a counterproposal to the address of the Company Headquarters (Atlantic Grupa d.d., Miramarska 23, 10000 Zagreb), at least 14 days prior to the General Assembly date. The date counterproposal is received at the Company is not counted in the 14-day deadline. The counterproposal shall be available at the Company's Internet site: www.atlanticgrupa.com. In case the shareholder does not exercise this right, he/she shall still be entitled to make a counterproposal at the General Assembly.

The stated applies accordingly to shareholders' proposals regarding the appointment of members of the Supervisory Board and the Company Auditor.

15. At the General Assembly, the Management Board is obliged to provide information about the Company operations to any shareholder at their request, in case such information is necessary to evaluate an agenda item.

16. The materials for the General Assembly, for which it is prescribed so by law, will be made available to the shareholders for inspection and for issuing of copies at the seat of the Company in Zagreb, every working day from the day on which the invitation to the General Assembly is published to the day of the General Assembly, from 10:00 to 14:00 hours. Those materials will also be published on the same day on the Company's Internet site: www.atlanticgrupa.com.

Zagreb, 24 April 2024

Atlantic Grupa d.d.

Contact:

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Company Secretary
Tel. +385 1 2413 923
E-mail: katarina.mindoljevic@atlanticgrupa.com

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Investor Relations
Tel. +385 91 2413 322
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Annex 1 – Application for Participation form

GENERAL ASSEMBLY OF ATLANTIC GRUPA d.d., ZAGREB

Application for Participation

| | |
|--|--|
| 1. Name and family name, or company name of the shareholder, OIB (personal identification number) of the shareholder | |
| 2. Residence or seat of the shareholder (street, number, place, state) | |
| 3. Name and family name, or company name of the proxy, OIB (personal identification number) of the proxy | |
| 4. Residence or seat of the proxy (street, number, place, state) | |
| 5. Name and family name of the person who is under law authorised to sign this application for shareholder | |
| 6. Number of shares of the shareholder represented /voted* | |
| 7. Number of the shareholder's account with the Central Depository and Clearing Company d.d. | |

I herewith apply for participation in the General Assembly of Atlantic Grupa d.d. Zagreb, Miramarska 23, convoked for 27 June 2024, starting at 14:00 hours at Atlantic Grupa's registered seat, in Zagreb, Miramarska 23.

*please indicate if the total number of shares of the shareholder or shares on the custody account is different than the number with which it is voted at the General Assembly, or for which proxy is issued. If the number of shares is expected to change, please enter the following notice: "according to the number of shares registered on 20 June 2024".

Signature of the shareholder/proxy: _____ Date: _____

Annex 2 – Power of Authority form

GENERAL ASSEMBLY OF ATLANTIC GRUPA d.d., ZAGREB
Power of Authority

| | |
|--|--|
| <p>1. Name and family name, or company name of the shareholder /OIB (personal Identification number)</p> <p>Name and family name of the person who is under law authorised to sign this power of authority for the shareholder (for legal persons)</p> | |
| <p>2. Residence or seat of the shareholder (street, number, place, state)</p> | |
| <p>3. Total number of shares owned</p> | |
| <p>4. Number of the shareholder's account with the CDCC</p> | |

I herewith give authority to the below stated proxy to file, on my behalf and for my account, an application for participation in the General Assembly of the joint-stock company Atlantic Grupa d.d., Zagreb, Miramarska 23, to be held on 27 June 2024 in Zagreb, to represent me at this General Assembly, to participate, on my behalf and for my account, in the work of the General Assembly, and to vote on all decisions to be passed in the General Assembly.

| | | |
|----|---|--|
| 1. | Name and family name, or company name of the proxy | |
| 2. | Residence or seat of the proxy (street, number, place, state) | |
| 3. | OIB (personal identification number) of the proxy | |
| 4. | Number of shares entitled to vote | |
| 5. | Voting instructions | |

Shareholder's signature: _____ Date: _____

Attachment 3 – Remuneration Report for 2023 with the accompanying Auditor’s Report

Independent limited assurance report on Remuneration Report for the year 2023

To the Management board and Supervisory board of Atlantic Grupa d.d.

Underlying Subject Matter

Pursuant to the provisions of Article 272r, paragraph 3 of the Companies Act and the agreement concluded with Atlantic Grupa d.d. ("the Company"), we have performed an engagement expressing a limited assurance on the attached Remuneration Report for the year ended 31 December 2023 ("Remuneration Report") prepared by the Company's Management board and Supervisory board.

Our limited assurance engagement relates to the subject matter whether the Remuneration Report contains data in accordance with the Article 272r, paragraphs 1 and 2 of the Companies Act.

Applicable Criteria

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

Inherent limitations

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

Specific purpose and distribution of use

Our report is intended solely for the Management board and Supervisory board for the purpose of reporting to the General Assembly on the Remuneration Report prepared by the Company for the year ended 31 December 2023 in accordance with Article 272r of the Companies Act.

Based on the procedures performed and outlined below, this is a report expressing a conclusion with limited assurance and its purpose is not, nor does it represent, a legal opinion on compliance with Article 272r of the Companies Act.

To the fullest extent permitted by law, we do not accept responsibility and do not agree to any obligations to any party other than the Company's Management board and Supervisory board, in connection with our work or this limited assurance report or the conclusions we have reached.

Management board and Supervisory board Responsibilities

The Company's Management board and Supervisory board are responsible for:

- preparing the Remuneration Report for the year 2023 in accordance with the disclosure requirements of Article 272r, paragraphs 1 and 2 of the Companies Act,
- identifying the individuals to be included in the Remuneration Report in accordance with Article 272r, paragraph 1 of the Companies Act,
- selecting and applying appropriate remuneration policies as well as making judgments and estimates that are reasonable in relation to the data disclosed in the Remuneration Report,
- measurement of remunerations for the year ended 31 December 2023 in accordance with the provisions of Article 272r, paragraphs 1 and 2 of the Companies Act, and
- publishing the Remuneration Report on the Company's website in accordance with the provisions of Article 272r, paragraph 4 of the Companies Act.

The Company's Management board and Supervisory board are responsible for the design, implementation and maintenance of the internal control system which reasonably ensures that the previously described data do not contain material errors, whether due to fraud or error. In addition, the Company's Management board and Supervisory board are responsible for ensuring that the documentation provided to us is complete and accurate.

Our Responsibility

Our responsibility is to express a conclusion on Remuneration Report in accordance with the requirements of Article 272r, paragraph 3 of the Companies Act. We conducted our limited assurance engagement in accordance with International Standards for Assurance Engagements (ISAE) 3000 (revised) - Engagements to perform assurance engagements other than audits or reviews of historical financial information.

Applicable requirements for quality management

We apply the International Standard on Quality Management (ISQM) 1 and accordingly, we ensure the design, implementation, and functioning of the quality management system, including policies and procedures related to compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

Compliance with independence requirements and other ethical requirements

We comply with the requirements of independence and other ethical requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board of Accountants (IESBA), which are based on fundamental principles of integrity, objectivity, professional competence and due diligence, confidentiality and professional behavior.

Summary of performed procedures

In respect of the subject matter, we have performed the following procedures:

- inquired members of the Management board and Supervisory board and other persons within the Company, to gain understanding of remuneration policies and the process applied in preparing the Remuneration Report;
- received from the Company a list of all members of the Company's Management board and Supervisory board during 2023 and checked whether their remunerations are disclosed in the Remuneration Report;
- reconciled the remuneration data presented in the Remuneration Report with the Company's accounting records (general ledger and subledgers) for the year ended 31 December 2023
- reviewed, on a sample basis, the relevant documentation of the Company (contracts and payments) related to the remuneration data presented in the Remuneration Report; and
- checked whether the Remuneration Report contains all the data required by the provisions of Article 272r, paragraphs 1 and 2 of the Companies Act.

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

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

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

Limited assurance conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that Remuneration Report for the year ended 2023 prepared by Atlantic Grupa d.d. does not contain data, in all material respects, in accordance with the Article 272r, paragraphs 1 and 2 of the Companies Act.



Berislav Horvat,
President of the Management Board and Certified auditor

Ernst & Young d.o.o.
Radnička cesta 50
10000 Zagreb
Republic of Croatia

23 April 2024



Janja Kulić,
Director and Certified auditor

Kulić & Sperk d.o.o.
Radnička cesta 52
10000 Zagreb
Republic of Croatia

23 April 2024

Attachment: Remuneration report for 2023.



Pursuant to Article 272r of the *Companies Act* and Articles of the *Code of Corporate Governance* of the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency (HANFA), the Management Board and the Supervisory Board of Atlantic Grupa d.d. (hereinafter also referred to as: the Company) submit to the General Assembly the following

REPORT

ON THE REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD IN THE YEAR 2023

Remuneration of members of the Supervisory Board

During 2023, the Supervisory Board of Atlantic Grupa d.d. comprised nine members: Zoran Vučinić, Chairman of the Supervisory Board, Siniša Petrović, Vice Chairman of the Supervisory Board, Zdenko Adrović, member, Lars Peter Elam Håkansson, member; Franz-Josef Flosbach, member; Vesna Nevistić, member; Aleksandar Pekeč, member; Monika Elisabeth Schulze, member and Anja Svetina Nabergoj, member. At the session of the Supervisory Board held on 22 March 2023, former Chairman Zdenko Adrović handed over the leading position in this body to Zoran Vučinić, member of the Supervisory Board. Zdenko Adrović continued to participate in the work of the Supervisory Board as its member.

Pursuant to the provision of Article 269, paragraph 3 of the *Companies Act*, on 18 June 2020, the Company's General Assembly adopted the *Decision on the remuneration of members of the Supervisory Board*. Following the introduction of the euro as the official currency in the Republic of Croatia, the Decision was amended at the General Assembly held on 29 June 2023 in such a manner that the amounts previously expressed in kuna were converted at a fixed conversion rate of HRK 7.53450 for 1 euro and rounded to the nearest cent, resulting in the amounts expressed in euro (hereinafter referred to as: the Decision on Remuneration). Under the Decision on Remuneration, payments of remuneration to members of the Supervisory Board in the year 2023 were made without any derogation. The said Decision set the amounts of remuneration of members of the Supervisory Board, whereby different external and internal factors have been taken into account, such as economic conditions, prevailing wage levels, remuneration data and best practices of regional and relevant industries, as well as remuneration levels and policies of the Company.

Each member of the Supervisory Board is entitled to a fixed monthly remuneration, from the day of their appointment to such duty until the day of its termination. In order to maintain their independence and full impartiality, the remuneration of members of the Supervisory Board is not dependent on the Company's results and does not contain a variable part of remuneration. In line with the above, the said fixed remuneration

represents 100% of their total remuneration. Members of the Supervisory Board are not entitled to payments by the Company or its associated companies in Company shares.

Accordingly, in 2023 members of the Supervisory Board received remuneration in the following gross I amounts:

| Remuneration of Supervisory Board members in 2023 | EUR |
|---|-------------------|
| Zoran Vučinić | 40,509.17 |
| Siniša Petrović | 31,853.52 |
| Zdenko Adrović | 31,160.96 |
| Lars Peter Elam Håkansson | 23,890.08 |
| Franz-Jozef Flosbach | 23,890.08 |
| Vesna Nevistić | 23,890.08 |
| Aleksandar Pekeč | 23,890.08 |
| Monika Elisabeth Schulze | 23,890.08 |
| Anja Svetina Nabergoj | 23,890.08 |
| TOTAL | 246,864.13 |

Members of the Supervisory Board are entitled to reimbursement of appropriate expenses (travel and accommodation) incurred during the performance of their duties.

The Company and its associated companies have not made any other payments, did not provide any loans or advances, nor issue any guarantees for the benefit of the members of the Supervisory Board. Also, the Company and its associated companies did not provide any gifts or benefits of significant value to the members of the Supervisory Board.

The report on the remuneration of members of the Supervisory Board for the year 2023 has been prepared in accordance with the respective provisions of the law, the *Code of Corporate Governance* of the Zagreb Stock Exchange and HANFA, as well as the *Code of Corporate Governance* and the *Articles of Association* of Atlantic Grupa d.d.

Remuneration of members of the Management Board

During 2023, the Management Board of Atlantic Grupa comprised seven members: Emil Tedeschi, President of the Management Board; Srećko Nakić, Group Vice President for Distribution; Enzo Smrekar, Group Vice President for Savoury Spreads, Donat and International Expansion; Zoran Stanković, Group Vice President for Finance, Procurement and Investment; Mate Štetić, Group Vice President for Coffee and Snacks; Lada Tedeschi Fiorio, Group Vice President for Corporate Strategy and Development and Neven Vranković, Group Vice President for Corporate Activities

Pursuant to the provisions of Article 247 of the *Companies Act*, on 25 June 2022 the Company's General Assembly adopted the consolidated text of the *Remuneration Policy for Members of the Management Board* (hereinafter referred to as: the Remuneration Policy), which was applied until 29 June 2023, when the Remuneration

Policy was amended by the decision of the General Assembly, and applied as such since 29 June 2023. Under the Remuneration Policy, payments of remuneration to members of the Management Board in the year 2023 were made without any derogation.

The Remuneration Policy for Members of the Management Board is set in a manner that strongly supports the pay for performance culture and the long-term strategy of the Company. The amount of remuneration paid out to members of the Management Board is determined with the aim to attract, motivate and retain qualified professionals, to promote sound and effective risk management, as well as to discourage risk-taking that exceeds the level of tolerated risk of the Company. It takes into account all regional, local and relevant industry practices of remuneration for managers holding corresponding positions, including employees of the Company's associated companies. The Company provides attractive terms of employment, of which remuneration, personal development, training, working environment and intellectually stimulating environment are all important components. As such, the Remuneration Policy for Members of the Management Board contributes to achieving the Company's strategic goals.

The remuneration structure for members of the Management Board ensures a proper balance between the variable and fixed remuneration, whereby the fixed part – in terms of the principal salary – is set by the contract with a member of the Management Board in the gross amount, while the variable part of remuneration, also set by the contract, is always performance-related.

The amount of the annual bonus for 2023 is determined under the contract with a member of the Management Board and correlated to the realisation of key financial/sales metrics, as well as qualitative (non-financial) performance criteria (hereinafter jointly: Key Performance Indicator/s or KPI/s):

- For the President of the Management Board, the Group Vice President for Finance, Procurement and Investment, the Group Vice President for Corporate Strategy and Development, and the Group Vice President for Corporate Activities:
 - fulfilment of the profit goal related to consolidated EBITDA of Atlantic Grupa, with the weighted share of 75%,
 - fulfilment of the direct sales to external buyers (third parties) or IMS consolidated Atlantic Grupa with the weighted share of 15%,
 - fulfilment of the quantitative (non-financial) objective, which consists of KPIs for a specific year that constitute the Company's Sustainability Index, which includes the following relevant pillars: emissions, responsible water use, recycling, products, and employees, with the weighted share of 10%;
- For the Group Vice President for Distribution, the Group Vice President for Savoury Spreads, Donat and International Expansion and the Group Vice President for Coffee and Snacks:
 - fulfilment of the profit goal related to consolidated EBITDA of Atlantic Grupa, with the weighted share of 40%,

- fulfilment of the profit goal related to EBITDA of the business or distribution unit from their respective area of responsibility, with the weighted share of 35%,
- fulfilment of the direct sales to external buyers (third parties) or IMS of the business or distribution units from their respective area of responsibility, with the weighted share of 15%,
- fulfilment of the quantitative (non-financial) objective, which consists of KPIs for a specific year that constitute the Company's Sustainability Index, which includes the following relevant pillars: emissions, responsible water use, recycling, products, and employees, with the weighted share of 10%.

Each member of the Management Board is entitled to the annual bonus related to a specific business year provided that the following preconditions are fulfilled:

- at least 90% of the consolidated EBITDA plan of Atlantic Grupa for the relevant business year is realised;
- at least 90% of the planned EBITDA of the business unit tied to the authority of the respective Management Board member for the relevant business year is realised,
- if he/she was employed by the Company or its associated companies for at least 2/3 of the relevant business year, as well as on 31 December of the relevant business year, and has the right to payment of the annual bonus.

The realisation of such financial preconditions and financial KPI metrics are based on the Company's consolidated financial results for the relevant business year, while a valuation of the non-financial objective (KPIs that constitute the Company's Sustainability Index, which includes emissions, responsible water use, recycling, products, and employees as relevant pillars in 2023) is based on the official Company report.

The annual bonus represents 75% of the realised principal annual gross salary in case of 100% realisation of KPIs. Members of the Management Board are entitled to payment of the annual bonus in cash or in Company shares in accordance with Articles 7 and 8 of the Remuneration Policy.

Contracted amount of the variable part in the overall remuneration of a member of the Management Board is not less than 40% of the total remuneration under the assumption of 100% realisation of the set KPIs and including a deferred part of the bonus.

Also, under Article 9 of the Remuneration Policy, members of the Management Board are entitled to participate in the Company Executive Longevity Premium programme (hereinafter: the ELP programme), which was implemented for the first time in 2022.

The ELP programme stipulates that executives who have held such an executive position for a minimum of 6 years are entitled to the allocation of 2,200 shares. More specifically, 1/3 of the listed shares is paid in the year in which they individually became entitled to the allocation under the ELP programme, and 2/3 are paid as a deferred payment upon retirement increased by the yield as stipulated in the Remuneration Policy, provided that such executive chooses to remain in the entitled executive position in the Company or its associated company, until retirement. Members of the

Management Board encompassed by Article 8 of the Remuneration Policy are entitled solely to cash payment following the same ratio and yield terms.

Also, under Article 10 of the Remuneration Policy, by decision of the President of the Management Board, a member of the Management Board may be rewarded for the additional responsibility assigned to them based on the realisation of the criteria of their contribution to the sustainability of the business or sales unit assigned to them as the additional responsibility, as well as the contribution of that business or sales unit to the group's overall operations covering the Company and its associated companies (hereinafter referred to as: the Additional Engagement Reward). The Additional Engagement Reward may not exceed 50% of the annual fixed remuneration under the valid Contract of the respective Management Board member, and it may be paid in shares up to a maximum of 1,200 shares per year or, if the respective Management Board member is encompassed by Article 8 of the Remuneration Policy, by cash payment. It can only be paid in relation to the additional engagement determined by the annex to the employment contract of the respective Management Board member, either during the additional engagement or upon its expiration, and it is not included in the basis for calculating the annual bonus for the member's performance under the regular Contract.

Members of the Management Board in 2023 received remuneration in the following (gross I, in EUR) amounts:

| Amounts in EUR | Fixed remuneration | % | Variable remuneration* | % | Receipts in kind | % | Total | % |
|----------------------|--------------------|-------|------------------------|-------|------------------|------|------------|--------|
| Emil Tedeschi | 364,483.32 | 71.69 | 139,414.89 | 27.42 | 4,504.62 | 0.89 | 508,402.83 | 100.00 |
| Srećko Nakić | 223,691.04 | 54.31 | 182,294.53 | 44.26 | 5,868.19 | 1.43 | 411,853.76 | 100.00 |
| Enzo Smrekar | 216,003.60 | 61.00 | 117,361.80 | 33.14 | 20,749.93 | 5.86 | 354,115.33 | 100.00 |
| Zoran Stanković | 230,459.88 | 61.23 | 139,340.97 | 37.02 | 6,601.90 | 1.75 | 376,402.75 | 100.00 |
| Mate Štetić | 230,270.97 | 53.56 | 189,148.91 | 44.00 | 10,482.17 | 2.44 | 429,902.05 | 100.00 |
| Lada Tedeschi Fiorio | 222,974.28 | 68.63 | 83,316.74 | 25.65 | 18,580.21 | 5.72 | 324,871.23 | 100.00 |
| Neven Vranković | 237,626.88 | 61.08 | 143,759.10 | 36.95 | 7,651.26 | 1.97 | 389,037.24 | 100.00 |

**variable remuneration refers to the calculated annual bonus for the business year 2022, deferred part of the business year 2019 bonus, as well as the Additional Engagement Reward*

The variable remuneration in cash received in 2023 by Emil Tedeschi, President of the Management Board, and Lada Tedeschi Fiorio, Group Vice President for Corporate Strategy and Development, refers to the results for the business year 2022 and the deferred part of the bonus for the business year 2019 (gross I, in EUR):

| Member of the Management Board | Variable remuneration paid during 2023 (total) | Variable remuneration related to the 2022 bonus – total | Variable remuneration related to 75% of the 2022 bonus – paid in 2023 | Variable remuneration related to the 2019 bonus – paid in 2023 | Deferred part (25%) of the 2022 bonus | Deferred part of the 2022 bonus for payment in 2026 with a multiplier of 1.2 |
|--------------------------------|--|---|---|--|---------------------------------------|--|
| Emil Tedeschi | 139,414.89 | 76,541.51 | 57,406.13 | 82,008.76 | 19,135.38 | 22,962.45 |
| Lada Tedeschi Fiorio | 83,316.74 | 46,824.61 | 35,118.46 | 48,198.29 | 11,706.15 | 14,047.38 |

The variable remuneration for other members of the Management Board in 2023 was paid in Atlantic Grupa shares, and refers to the results for the business year 2022 and the deferred part of the bonus for the business year 2019, as well as the Additional Engagement Reward (gross I, in EUR):

| Member of the Management Board | Variable remuneration paid during 2023 (total) | Variable remuneration paid during 2023, expressed in allocated shares (total) | Variable remuneration paid in shares during 2023 related to 75% of the 2022 bonus | Variable remuneration paid in shares during 2023 related to the 2019 bonus | Variable remuneration for additional engagement, in shares | Variable remuneration related to the 2022 bonus (total) | Deferred part (25%) of the 2022 bonus, in shares, for 3 years | Deferred part of the 2022 bonus for payment in 2026 with a yield of 1.8 |
|--------------------------------|--|---|---|--|--|---|---|---|
| Srećko Nakić | 182,294.53 | 2,703 | 1,371 | 1,332 | | 123,309.68 | 482.7 | 869 |
| Enzo Smrekar | 117,361.80 | 1,808 | 1,048 | 760 | | 90,720.00 | 368.9 | 664 |
| Zoran Stanković | 139,340.97 | 2,050 | 534 | 1,516 | | 48,396.57 | 188.0 | 338 |
| Mate Štetić | 189,148.91 | 2,832 | 1,348 | 284 | 1,200 | 122,154.25 | 474.2 | 854 |
| Neven Vranković | 143,759.10 | 2,115 | 551 | 1,564 | | 49,901.65 | 193.8 | 349 |

**variable remuneration refers to the calculated annual bonus for the business year 2022. deferred part of the business year 2019 bonus, as well as the Additional Engagement Reward*

Out of the gross I value of the variable remuneration (annual bonus, in EUR), 75% of the net amount was paid in the form of shares in 2023 according to the average share price (volume-weighted) at the Zagreb Stock Exchange on 18 April 2023 (EUR 51.93). The grant date for the Employee Stock Option Programme (ESOP) is upon expiration of 30 days from the date of adoption of the annual financial results for the business year by the Company's Supervisory Board. Members of the Management Board must retain such shares for a minimum period of 2 years from the day of their transfer to share accounts.

The remaining 25% of the realised annual bonus for 2022 for the respective member of the Management Board, multiplied by the coefficient of 1.8, will be paid in Company shares in 2026, provided that this member of the Management Board is still employed by the Company or its associated company on 1 April of the respective year.

The allocation of shares to member of the Management Board Mate Štetić in 2023 based on the Additional Engagement Reward was carried out on 29 June 2023 according to the Company share price (volume-weighted) at the Zagreb Stock Exchange listed on 28 June 2023 (EUR 49.80).

For the results achieved in the business year 2023, the following members of the Management Board received the variable part of the remuneration in cash (gross I, in EUR), with the term of its payment as follows:

| Member of the Management Board | Variable remuneration for 2023, total | Variable remuneration related to 75% of the 2023 bonus – paid in 2024 | Variable remuneration related to the 2020 bonus – paid in 2024 | Variable remuneration paid in 2024 (total) | Deferred part (25%) of the 2023 bonus | Deferred part of the 2023 bonus for payment in 2027 with a multiplier of 1.2 |
|--------------------------------|---------------------------------------|---|--|--|---------------------------------------|--|
| Emil Tedeschi | 382,024.08 | 286,518.06 | 79,548.50 | 366,066.56 | 95,506.02 | 114,607.22 |
| Lada Tedeschi Fiorio | 233,704.92 | 175,278.69 | 48,664.14 | 223,942.83 | 58,426.23 | 70,111.48 |

For the results achieved in the business year 2023, other members of the Management Board received the variable part of the remuneration (gross I, in EUR), with the term of its payment as follows:

| Member of the Management Board | Variable remuneration for 2023, total | Variable remuneration related to 75% of the 2023 bonus – paid in shares in 2024 | Variable remuneration paid in shares during 2024 related to the 2020 bonus | Variable remuneration paid in shares in 2024 (total) | Variable remuneration paid during 2024, expressed in allocated shares (total) | Deferred part of the 2023 bonus, expressed in shares, for payment in 2027 with a multiplier of 1.8 |
|--------------------------------|---------------------------------------|---|--|--|---|--|
| Srećko Nakić | 234,456.17 | 175,819.08 | 80,586.84 | 256,405.92 | 3,449 | 1,426 |
| Enzo Smrekar | 194,400.00 | 145,784.87 | 86,831.58 | 232,616.45 | 3,129 | 1,183 |
| Zoran Stanković | 241,550.76 | 181,171.71 | 88,913.16 | 270,084.87 | 3,633 | 1,469 |
| Mate Štetić | 241,506.95 | 181,097.37 | 55,310.53 | 236,407.89 | 3,180 | 1,469 |
| Neven Vranković | 249,062.67 | 186,821.71 | 91,589.47 | 278,411.18 | 3,745 | 1,515 |

Out of the gross I value of the variable remuneration (annual bonus, in EUR), 75% of the net amount is paid in the form of shares in 2024 according to the average share price (volume-weighted) at the Zagreb Stock Exchange on 16 April 2024 (56.50 EUR). The grant date for the Employee Stock Option Programme (ESOP) is upon expiration of 30 days from the date when the Company's Supervisory Board adopts the annual financial results for the business year to which the annual bonus pertains. Members of the Management Board must retain such shares for a minimum period of 2 years from the day of their transfer to share accounts.

The remaining 25% of the realised annual bonus for 2023 for the respective member of the Management Board, multiplied by the coefficient of 1.8, is paid in Company shares with the vesting period until the year 2027, provided that this member of the Management Board is still employed by the Company or its associated company on 1 April of the respective year.

The overview provided below shows the average income of employees in Atlantic Grupa d.d. for 2023 in the gross I value, which includes both fixed and variable part of the salary, other receipts in kind and all other payments made in relation to the employee status, including awarding remuneration divided by the average number of full-time equivalent (FTE) employees. The guidance is based on the average income of Atlantic Grupa d.d. employees since the majority are on managerial and key professional positions which are relevant for comparison of remuneration. Additionally, the overview shows a comparative view of the annual changes in the receipts of Supervisory Board and Management Board members, expressed as a percentage, based on the total (gross I) value of receipts (which include both fixed and variable part of the salary, other receipts in kind and all other payments made in relation to the status of a Management Board or Supervisory Board member, respectively) for the given year, divided by the average number of Management Board or Supervisory Board members, respectively, *in the full-time equivalent (FTE)*.

| Annual remuneration per employee - EUR | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Annual base (gross I) | 64,723.25 | 71,056.05 | 64,022.18 | 61,705.20 | 60,647.02 |
| Annual change in remuneration of the Supervisory Board – in % | 2023 vs 2022 | 2022 vs 2021 | 2021 vs 2020 | 2020 vs 2019 | 2019 vs 2018 |
| | 0% | -3% | 3% | 3% | 8% |
| Annual change in remuneration of the Management Board – in % | 2023 vs 2022 | 2022 vs 2021 | 2021 vs 2020 | 2020 vs 2019 | 2019 vs 2018 |
| | -24% | 18% | 13% | -6% | -18% |
| (Atlantic Grupa d.d.; TEUR) | 2023 | 2022 | 2021 | 2020 | 2019 |
| Revenues | 29,178 | 63,962 | 66,495 | 58,954 | 55,431 |
| Net profit/(loss) | (833) | 34,435 | 35,012 | 29,801 | 24,898 |
| (Atlantic Grupa consolidated; TEUR) | 2023 | 2022 | 2021 | 2020 | 2019 |
| Revenues | 987,082 | 858,306 | 769,154 | 707,325 | 742,771 |
| Net profit/(loss) | 31,209 | 26,017 | 45,876 | 45,405 | 52,505 |

The Company did not reclaim any variable part of the salary and there were no conditions realised to do so.

There were no payments or payment obligations by any third party to members of the Management Board with regard to activities they performed as members of the Management Board in the Company or at any other function within Atlantic Grupa.

The report on the remuneration of members of the Management Board for 2023 has been prepared in accordance with the respective provisions of the law, the *Code of Corporate Governance* of the Zagreb Stock Exchange and HANFA, as well as the *Code of Corporate Governance* and the *Articles of Association* of Atlantic Grupa d.d.

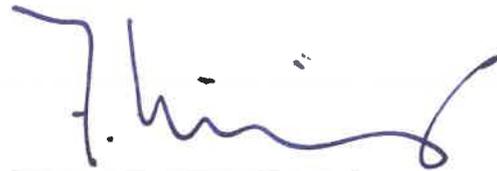
The contract on performing the function of a member of the Management Board can be terminated in accordance with provisions of the law. The obligation of severance payment occurs in the case of contract termination by Atlantic Grupa in the period of its duration, unless the contract is terminated due to reasons caused by the wrongful conduct of the respective member of the Management Board. The severance payment is limited to the amount of twelve (12) average monthly gross I salaries paid to the respective Management Board member in the period of three months prior to contract termination.

Zagreb, 23 April 2024

Atlantic Grupa d.d.

A handwritten signature in blue ink, appearing to read 'Emil Tedeschi', written over a horizontal line.

Emil Tedeschi
President of the Management Board

A handwritten signature in blue ink, appearing to read 'Zoran Vučinić', written over a horizontal line.

Zoran Vučinić
Chairman of the Supervisory Board

REMUNERATION POLICY FOR MEMBERS OF THE MANAGEMENT BOARD

1. This Policy on the remuneration of members of the Management Board (hereinafter: the Policy) is based on the principle to attract, motivate and retain qualified professionals with the objective to promote sound and effective risk management as well as to discourage risk-taking that exceeds the level of tolerated risk of the Company. The Policy is aimed on providing a balanced, sustainable and transparent remuneration of members of the Management Board strongly supporting the pay for performance culture and the long-term strategy of the Company. When determining the remuneration, this Policy has taken into account all regional, local and relevant industry practices of remuneration for managers holding corresponding positions, including employees of the associated companies of the Company. The Company provides attractive terms of employment, of which remuneration, personal development, training, working environment and intellectually stimulating environment are all important components. As such, the Policy contributes to achieving the Company's strategic goals.
2. The contract with a member of the Management Board (hereinafter: the Contract) is concluded for a period of three (3) years and it lays down rights, including provisions on remuneration and obligations based on their authority within the Management Board. All members of the Management Board have general employment rights for an indefinite period in Atlantic Grupa d.d. or its associated companies.
3. The Contract can be terminated in accordance with provisions of the law. The obligation of severance payment occurs in the case of Contract termination by the employer in the period of its duration, unless the Contract is terminated due to reasons caused by the wrongful conduct of the respective member of the Management Board. The severance payment is limited to the amount of twelve (12) average monthly gross salaries paid to the respective Management Board member in the period of three months prior to Contract termination.
4. The remuneration structure for members of the Management Board ensures a proper balance between the variable and fixed remuneration, whereby the fixed part – in terms of the principal salary – is set by the Contract in the gross amount, and the variable part of remuneration is always performance-related. The amount of the variable part in the overall remuneration of a member of the Management Board will not be less than 40% of the total remuneration under the assumption of realisation of the set KPIs and including a deferred part of the bonus.
5. The level of the principal salary is determined in accordance with Article 1 on the basis of the labour market peer group companies comparable in terms of size and/or complexity within the region in which the Company operates, taking into consideration the terms of employment of the Company's employees and employees of its associated companies.
6. The amount of the annual bonus is set per year of Contract duration and is correlated to the realisation of key financial/sales metrics as well as qualitative (non-financial) performance criteria (hereinafter jointly: Key Performance Indicator/s or KPI/s):
 - realisation of the financial objective consisting of the assessment of realisation of the EBITDA profit objective,
 - realisation of the direct sales to external buyers (third party) objective, realisation of the qualitative (non-financial) objective consisting of KPIs relevant for a specific year, which form the Company's Sustainability Index that covers emissions, water, recycling, products and employees as relevant pillars.

Each member of the Management Board is entitled to the annual bonus related to a specific business year (hereinafter: the Business Year), provided that the following preconditions are fulfilled:

- at least 90% of the Company's consolidated EBITDA plan for the Business Year is realised,
- at least 90% of the planned EBITDA of the business unit tied to the authority of the respective Management Board member for the Business Year is realised,
- if he/she was employed at the Company or its associated companies for at least 2/3 of the respective Business Year as well as on December 31st of the respective Business Year and has the right to payment of the annual bonus.

The realisation of such financial preconditions and financial KPI metrics are based on the Company's consolidated financial results for the respective Business Year, while a valuation of the non-financial objective is based on either the official Company report and/or a quantitative and/or qualitative research performed by relevant independent partners, e.g. a research agency.

The realisation of the annual bonus is established by the decision of the Management Board on the remuneration applicable for all employees of Atlantic Grupa d.d. and its associated companies, adopted on an annual basis (hereinafter: the Decision).

The annual bonus represents 75% of the realised principal annual gross salary in case of 100% realisation of KPIs.

7. A member of the Management Board is entitled to the payment of the annual bonus in terms of:

- a) the cash payment: 75% of the realised annual bonus for the respective member of the Management Board, payable upon expiration of 30 days from the date of the adoption of the annual financial results for the Business Year by the Supervisory Board of the Company (hereinafter: the Grant Date).

Members of the Management Board can opt to receive the cash component of their annual bonus through Company shares, in which case they must retain such shares for a minimum period of 2 years from the day of their transfer to share accounts;

- b) long-term equity-based programme: 25% of the realised annual bonus for the respective member of the Management Board (hereinafter: Base Shares) multiplied by 1.8 (hereinafter: Addition Shares) payable in Company shares, with the vesting period until the end of April of the fourth year counted as of the end of the Business Year, provided that they are still employed by the Company or the associated company on April 1st of the respective year.

Members of the Management Board must retain such shares for a minimum period of 3 years from the day of their transfer to share accounts.

In case that the termination of employment of a member of the Management Board of the Company is initiated by the employer during the vesting period, the Company shall transfer the Base Shares, increased by the ratio of Addition Shares that corresponds to the length of the exercised vesting period, within 30 days of the termination of employment.

The number of shares granted to a member of the Management Board under the long-term equity-based programme is determined by the average share price (volume-weighted) of the Zagreb Stock Exchange on the day that precedes the Grant Date.

In case that the termination of employment is initiated by the respective member of Management Board or that the termination of employment is exercised by the employer due to the wrongful conduct of the respective member of the Management Board, they are not entitled to Base Shares or Addition Shares.

8. An exception from previous Article applies to members of the Management Board who are on the Grant Date a majority shareholder of the Company or a member of the Management Board who is concurrently in terms of this Article related to such person.

Persons are considered related if they are blood-related in a direct line, in a collateral line up to the second degree inclusive and if they are spouses or extra-marital partners.

Members of the Management Board encompassed by this Article are entitled to payment of the annual bonus solely in terms of the cash payment following the same terms, specifically:

- a) the cash payment: 75% of the realised annual bonus for the respective member of the Management Board, payable upon expiration of 30 days from the date of adoption of annual financial results for the Business Year by the Supervisory Board of the Company;
 - b) deferred cash payment: 25% of the realised annual bonus for the respective member of the Management Board multiplied by 1.2 with the vesting period until the end of April of the fourth year counted as of the end of the Business Year, provided that they are still employed by the Company or the associated company on April 1st of the respective year.
9. In order to build the Company's long-term competitive advantage, members of the Management Board are entitled to additional incentives in case of surpassing key performance indicators compared to the reference group of companies. The achieved incentive is calculated proportionally in relation to key performance indicators and can represent an amount ranging from 0% to 30% of the annual gross salary of a member of the Management Board who became eligible for the said incentive.
10. The President of the Management Board is authorised to, by his own decision and subject to the prior opinion of the Leadership Development and Compensation Committee, reward a member of the Management Board for their special achievements that contribute to the group's overall operations covering the Company and its associated companies. Such reward may not exceed 30% of the annual fixed remuneration under the valid Contract of the respective Management Board member, and it may be paid in shares, or, if the respective Management Board member is encompassed by Article 8 of this Policy, by cash payment. This type of reward is not included in the basis for calculating the annual bonus for the member's performance under the regular Contract.
11. The upper limit for the overall variable part of remuneration of an individual member of the Management Board, including long-term variable programmes, can reach up to 240% of their annual gross salary. The target performance level of a member of the Management Board, which implies 100% realisation of KPIs, results in 50% of the maximum variable remuneration.
12. Members of the Management Board are entitled to the Company Executive Longevity Premium programme (hereinafter: ELP) applicable to executive positions in the Company or in any of the Company's subsidiaries (within the meaning of the CA) defined thereto. ELP provides for such executives, after spending a minimum of 6 years on such executive position, to be entitled to the allocation of a certain number of shares, out of which 1/3 is paid in the year in which the entitlement enters into force and 2/3 are paid as a deferred payment upon retirement, provided that such executive chooses to remain in the entitled executive position in the Company or in the Company's subsidiary, until then. ELP takes into consideration longevity of the entitled executive position by increasing the yield of the deferred part every 6 years, as well as employment longevity in the Company, including in any of the Company's subsidiaries, before their promotion to the entitled executive position by triggering a sooner entitlement and increasing the yield:
- a) Members of the Management Board, apart from those encompassed by Article 8, are entitled to the allocation of 2,200 respectively, out of which 1/3 is allocated in the year in which the entitlement enters into force and 2/3 is paid out upon their retirement, respectively, increased by the yield as provided under b) hereto;

- b) The yield is calculated for 2/3 of shares and is increased by 1 point for every 6 years spent in the entitled executive position in the Company, or in the Company's subsidiary, as the case may be, as follows:
 - 1.1 up to 12 years
 - 1.2 up to 18 years
 - 1.3 up to 24 years
 - 1.4 up to 30 years
 - 1.5 > than 30 years;
 - c) Members of the Management Board encompassed by Article 8 are entitled to payment of the Executive Longevity Premium solely in terms of cash payment following the same ratio and yield terms.
13. By means of a special Annex to the Contract, a member of the Management Board may be assigned the additional responsibility of managing a specific business or sales unit of the group's operational organisation consisting of the Company and its associated companies, for a period no longer than one year. The President of the Management Board is authorised to, by his own decision, reward such a member of the Management Board based on the criteria of their contribution to the sustainability of the business or sales unit assigned as the additional responsibility to that Management Board member, as well as the contribution of that business or sales unit to the group's overall operations covering the Company and its associated companies. Such reward may not exceed 50% of the annual fixed remuneration under the valid Contract of the respective Management Board member, and it may be paid in shares up to a maximum of 1,200 shares per year, or, if the respective Management Board member is encompassed by Article 8 of this Policy, by cash payment. This type of reward can only be paid in relation to the additional engagement determined by the Annex, either during the engagement or upon its expiration, and it is not included in the basis for calculating the annual bonus for the member's performance under the regular Contract.
14. In addition to remuneration of the Management Board members, in line with local practices a number of additional arrangements apply. These include expense allowances, life insurance policy, accident insurance, voluntary health insurance policy, use of company cars and technical equipment, education allowances and, if applicable, expatriate allowances.
15. In accordance with the remuneration guidelines of Atlantic Grupa, which take into account external competitiveness, internal alignment, transparency and compliance with local regulations, the target maximum annual remuneration for the President of the Management Board is defined as up to 25 times the average annual remuneration of all employees of Atlantic Grupa d.d., while for members of the Management Board, this maximum annual remuneration is defined as up to 20 times the average annual remuneration of said employees. Total remuneration includes all receipts for the Business Year, which include fixed gross salary, variable remuneration, as well as receipts in kind. The maximum annual remuneration is contingent upon significant surpassing of the set business objectives.
16. With the aim to avoid any conflict of interest, all Contracts provide for the following clauses:
- a) obligation of confidentiality: members of the Management Board are obliged to keep confidential the Company's business secrets during and after their employment, regardless of the reasons for employment termination, whereas the obligation of confidentiality extends to business secrets of the Company's associated companies as well;
 - b) no-competition clause: members of the Management Board are obliged not to compete with the Company for a period of one year from the date of receiving severance pay; in case of its breach, any Management Board member shall be liable to pay the contract penalty in the amount of twelve average net monthly salaries paid to that Management Board member in the period of three months before Contract termination;

- c) prohibition of participation of a member of the Management Board in the ownership and/or management structure, whether directly or indirectly, in any company which is in market competition with the Company and its associated companies, or in a company with which the Company and its associated companies have business cooperation, as well as to act as an advisor or consultant in such companies, regardless of being paid or not for such activities;
- d) activities, except those performed for the Company or its associated companies, regardless of being paid or not, including the membership in supervisory boards, advisory bodies, etc., may be performed by a member of the Management Board only on the basis of prior approval of the Management Board of Atlantic Grupa d.d.

17. The Supervisory Board with the support of the Leadership Development and Compensation Committee shall monitor whether the remuneration elaborated in this Policy is in line with the principles established in Article 1 of this Policy on an annual basis. The remuneration shall be checked against regional, local, and relevant industry practices consisting of companies comparable in terms of size, business activity, geographic distribution of operations and/or complexity. The Supervisory Board reserves the right to amend the Policy in case of change of market circumstances. In such a case, the Supervisory Board shall submit the proposal and explanation to the General Assembly in line with the applicable provisions of the law.

18. This Policy enters into force upon its adoption by the General Assembly.

Zoran Vučinić
Chairman of the Supervisory Board