

# RULES OF PROCEDURE FOR SUPERVISORY BOARD

Pursuant to Article 19.1 of the Articles of Association of the SPAN d.d. company Zagreb (hereinafter: Company), the Supervisory Board at their meeting held on 14 October 2021 adopted primary version and at the meeting on February 16, 2023, the amended version of the following

## RULES OF PROCEDURE FOR SUPERVISORY BOARD

### PREAMBLE

#### Article 1

Rules of Procedure of the Supervisory Board of the Company (hereinafter: Rules of Procedure) regulate the basic issues relevant for the work of the Supervisory Board.

Provisions of these Rules of Procedure obligate all members of the Supervisory Board, as well as all other persons who participate in their work in any way.

### COMPETENCE AND POWERS OF THE SUPERVISORY BOARD

#### Article 2

Supervisory Board powers are defined by the provisions of these Rules of Procedure, legislation and Company Articles of Association.

Within the framework of their competence, the Supervisory Board makes decisions, evaluations, opinions, gives approval of decisions made by the Management Board of the Company which was provided for by these Rules of Procedure, legislation or Articles of Association, gives orders to auditors and together with the Management Board determines decision proposals which are made by the Company General Assembly.

When carrying out their business and tasks which are under their competence, members of the Supervisory Board will act in accordance with extra care, taking into account the interests of the Company, its shareholders, employees, creditors and other actors.

### ANNUAL FINANCIAL REPORTS

#### Article 3

Supervisory Board is obligated to review the Annual Financial Report of the Company and Group, Annual Business Report of the Company and Group, Auditor Report on conducted supervision of Company and Group business, as well as a proposed decision on the disposal of profits and payment of dividends submitted by the Company's Management Board.

At the Supervisory Board where the Annual Financial Reports for the Company and Group are reviewed, the Company auditor will be invited as well, so that they may submit an audit report for the aforementioned financial reports and explanations that are asked of them.

In the Supervisory Board report on conducted Company and Group business review, the Supervisory Board manner and scope of reviewing conducted business needs to be noted, which commissions are under the purview of the Supervisory Board, how many Supervisory Board meetings were held, does the Supervisory Board have objections regarding the reports submitted to it and whether it approves the Company and Group Annual Financial Reports submitted to it by the Management Board.

The Supervisory Board needs to deliver the report from the previous paragraph of this article to the Management Board no later than one month after all reports that needed to be reviewed were submitted to it. If the Supervisory Board does not submit the aforementioned report in the additional time given to it by the Management Board, which cannot be longer than one month, it is considered that it did not approve the Company and Group Annual Financial Reports submitted to it by the Management Board, in which case these reports, according to a proposal of the Management Board itself, are determined by the Company's General Assembly.

If the Supervisory Board approves the Company and Group Annual Financial Reports, or if the Management Board has taken into consideration the objections and/or counteroffers of the Supervisory Board to the submitted Company and Group Annual Financial Report, it is considered they were defined by the Management Board and Supervisory Board, if they do not decide that determining these reports be left up to the Company General Assembly. In this event, these Management Board and Supervisory Board decisions must be noted in the Supervisory Board report to the Company General Assembly and attached to that report.

If the Supervisory Board does not approve of the Company and Group Annual Financial Reports submitted to it by the Company Management Board and states their counterproposal, which the Management Board did not approve of, the aforementioned Management Board proposal and Supervisory Board counterproposal, as individual (separate) suggestions for the Annual Financial Report of the Management Board and Supervisory Board are sent to the Company General Assembly for discussion and decision-making.

#### Article 4

If the Supervisory Board in their report from Article 3 has no objections to the proposed decisions on the disposal of profits and dividend payments submitted to it by the Company Management Board and in the event that the Management Board approved of the objections and/or counterproposals of the Supervisory Board on the submitted subject decision proposals, the same are, as with the joint Management Board and Supervisory Board proposals, sent to the Company General Assembly for discussion and decision-making.

If the Supervisory Board in their report from Article 3 has no particular objections and/or counterproposals, does not approve the proposed decisions on the disposal of profits and dividend payments submitted to it by the Company Management Board and in the event that the Management Board did not approve of the objections of the Supervisory Board on the submitted subject decision proposals, the same are, as with the Management Board's own proposals, sent to the Company General Assembly for discussion and decision-making.

If the Supervisory Board in their report from Article 3 does not approve the decision on disposal of profits and payment of dividends submitted by the Company Management Board and also submits its counterproposal, which the Management Board did not approve, the aforementioned Management Board proposal and Supervisory Board counterproposal, as well as the individual (separate) decision proposals of the Management Board and Supervisory Board are sent to the Company General Assembly for discussion and decision-making.

The provisions of the previous paragraphs of this Article are applied in other situations in an appropriate way as well in which the Management Board and Supervisory Board, in accordance with legislation, jointly propose the making of certain decisions to the General Assembly.

## POLICY OF MANAGING CONFLICT OF INTEREST

### Article 5

The Supervisory Board gives prior consent to the policy of managing conflict of interest at the proposal of the Management Board.

The aim of the policy of managing conflict of interest is evident in implementing procedures which prevent members of the Management Board and/or Supervisory Board in participating in decision-making related to their conflict of interest. The Supervisory Board is obligated to ensure the adoption of procedures for approving and publishing such transactions in accordance with financial report legislation and standards.

Any transaction between members of the Management Board or Supervisory Board and Company (or persons connected with any part) may be concluded only on the basis of prior compliance of the Supervisory Board where the member of the Supervisory Board which is in conflict of interest does not participate in decision making and under the condition that the fair value of each material transaction (before Supervisory Board decision) is confirmed by an independent expert in written form.

## REMUNERATION POLICY

### Article 6

The Supervisory Board decides on the remuneration system of Management Board members.

The Remuneration Policy contains all data prescribed by legislation.

The Supervisory Board determines the Remuneration Policy of Management Board members in cooperation with the General Assembly in accordance with the provisions of the Companies Act, in such a way that they approve the Remuneration Policy it submitted to them.

The Supervisory Board may temporarily deviate from the Remuneration Policy if the long-term well-being of the Company demands it and the Remuneration Policy has predicted this and it mentions in what area it can deviate from the determined Remuneration Policy and in what manner.

## OTHER

### Article 7

Other than special functions provided by legislation or the Articles of Association, tasks and competences of the Supervisory Board include the following:

- Appointing and dismissing members of the Management Board and planning succession.
- Contributing and approving of Company strategy, business plan and budget.
- Reviewing achieved results of the Management Board when achieving goals and the manner in which it carried out its obligations, as well as the way in which it cooperates with shareholders and other actors.

## EVALUATION OF EFFICIENCY OF SUPERVISORY BOARD

### Article 8

The Supervisory Board at least once a year shall review its efficiency and composition as well as the efficiency and composition of its boards and individual results of members. Evaluations are conducted by the President of the Supervisory Board, or the Vice-President if the President of the Supervisory Board is not an independent member of the Board.

Evaluations shall include evaluating the need to improve the profile of the Supervisory Board and influence the decisions of the size and composition of the Supervisory Board and its committees, as well as proposals for appointing particular members of the Supervisory Board again. Evaluations also need to especially identify if there is room for improvement in the functioning and preparation of Supervisory Board meetings.

The evaluation report on the Supervisory Board and its boards is included in the annual report and contains data on how the evaluation was conducted, whether external evaluators were hired and who was consulted during the procedure.

## PRIOR CONSENT OF SUPERVISORY BOARD

### Article 9

In accordance with statutory duties from Article 9.4 of the Company Articles of Association for making the following decisions, prior consent of the Supervisory Board is required:

- Issuing new Company shares

- Business which the Company undertakes with connected persons if the value of this business exceeds the amount determined by legislation;
- All contracts which a member of the Supervisory Board concludes with the Company outside of the scope of tasks of a member of said board
- Policy of managing conflict of interest;
- Material transactions between members of the Management Board, persons connected to them and the Company;
- For membership of a member of the Management Board in the supervisory board or management board of other non-affiliated companies;
- Adopting Rules of Procedure for Management Board work or amendments to them;
- Other tasks for which legislation, Articles of Association and Supervisory Board decisions determine that the Management Board may conduct them only with previous consent of the Supervisory Board;

The Supervisory Board decides on issuing prior approval to the Management Board on the Proposal of the Annual Business Plan, as a rule, by the end of the year which precedes the year for which the aforementioned plan is being made.

The Supervisory Board decides on giving prior approval to the Proposal for changes (amendments) to the Annual Business Plan which is done during the year when required.

## WORK FLOW OF SUPERVISORY BOARD

### Article 10

The Supervisory Board in general plans and makes decisions at meetings.

The Supervisory Board meetings are prepared, called and run by the President of the Supervisory Board in cooperation with the Management Board and with the help of Company specialist services. In the event that the President of the Supervisory Board is indisposed, when it comes to tasks relating to meeting preparation, they are replaced by the Vice-President of the Supervisory Board.

Each member of the Supervisory Board or Management Board may, along with listing the reasons and purposes, ask that the President of the Supervisory Board call for a Board meeting. If this request is not approved, the member of the Supervisory Board or Management Board may call for a Supervisory Board meeting by listing reasons for calling for a meeting and a meeting agenda.

#### Article 11

Regular Supervisory Board meetings are held at least 4 (four) times during a calendar year in each quarter. Extraordinary Supervisory Board meetings are held if required.

Supervisory Board meetings are, as a rule, held at the Company's main office. A Supervisory Board meeting can be held outside of the Company's main office, as well as via phone or video conference, telefax, telegraph or by using other appropriate technical means under the condition that the identity of participants can be determined without any doubt and the level of security of the video or phone connection is appropriate and if no member of the Supervisory Board is opposed to it in an appropriate timeframe defined by the President of the Supervisory Board. Members of the Supervisory Board which are indisposed and cannot participate in the Supervisory Board meeting may cast their vote in writing or through another person who was authorized by the indisposed member of the Supervisory Board to vote based on authorization in writing.

In the event that the meeting of the Supervisory Board is held outside of the Company's main office in accordance with the previous paragraph, the place of holding the meeting is determined by the President of the Supervisory Board or person/persons which called for it.

#### Article 12

Member of the Supervisory Board and members of the Management Board are invited to the meeting in writing. The meeting invitation shall contain data on the time and place of the meeting, a proposed agenda, with material containing data vital for making a decision on particular agenda items also being appended to it.

The meeting invitation is sent to all members of the Supervisory Board no later than eight days before the day of holding the meeting.

As an exception to the previous paragraph of this article, in emergencies, or if other valid reasons exist for it, the Supervisory Board meeting may be held within a timeframe shorter than eight days with the consent of all members of the Supervisory Board. In that case, the agenda proposal will be sent to members no later than at the start of the meeting and the written material will be distributed just before the start of the meeting or at the meeting itself.

#### Article 13

Supervisory Board meetings are presided over by the President of the Supervisory Board, while in the event of them being indisposed, they are replaced by the Vice-President of the Supervisory Board.

Members of the Management Board may attend a Supervisory Board meeting, however, the Supervisory Board must retain the right to meet without Management Board participation when they deem this appropriate. Members of the Management Board should not participate in meetings where the Supervisory Board discusses the results and earnings of the Management Board and their members. Report writers and advisers for particular questions which are being decided on can be invited to the meeting or a translator.

Supervisory Board meetings are attended by a person who is not a member of the Supervisory Board or Management Board acting in the capacity of minute taker.

#### Article 14

Members of the Supervisory Board that are present at the meeting vote publicly by raising their hand, while absent members may vote in writing.

The Supervisory Board makes decisions based on the majority of cast votes (simple majority), through public voting. In the event that votes are evenly split, the deciding vote is cast by the President of the Supervisory Board.

A member of the Supervisory Board votes "FOR" or "AGAINST" the proposed decision. Exceptionally, particular Supervisory Board members may decide to abstain if the decision being made concerns one of their particular rights or legal interests, or, in other words, when the subject member of the Supervisory Board is in conflict of interest.

When determining the required majority of votes, only the cast "FOR" or "AGAINST" votes for the proposed decision are counted.

A vote in writing is cast by delivering the "FOR" or "AGAINST" decision, while noting the Supervisory Board proposed decision for which they are sending their vote, with their signature and the time and place of giving said statement.

If the vote is delivered via email, the email must arrive from an email address which the member noted as their personal email address.

#### Article 15

At the Supervisory Board meeting, valid decisions are made if at least three members participate in the decision-making, counting those members that are present at the meeting and those that are absent, but which have delivered their vote in writing, within the meaning of Article 14 of these Rules of Procedure.

#### Article 16

The President of the Supervisory Board shall determine before starting the meeting if conditions are met for making a valid decision, within the meaning of Article 14 of these Rules of Procedure.

#### Article 17



After adoption of the agenda at the meeting, the items of the agenda are considered.

The President of the Supervisory Board shall, before concluding the discussion on a particular item, review if all elements significant for making an appropriate and legal decision were discussed.

If the Supervisory Board, while discussing a particular question which is on the agenda, considers that they cannot decide based on the said and discussed facts, they can request additional clarification or data and determine that this agenda item will be decided on at the next meeting. In their decision, the Supervisory Board will appoint a specific person to give additional clarification, or collect additional data and will determine a deadline for them to do so.

After considering a particular agenda item, the Supervisory Board makes a decision, takes a stance, which is expressed through an opinion, evaluation, giving or withholding consent to the decision of the Company CEO or in another manner.

## MINUTES ON SUPERVISORY BOARD WORK

### Article 18

The minutes on the meeting and decisions of the Supervisory Board outside of the meeting contain the following:

- 1 number of the Supervisory Board meeting;
- 2 date and time of the held meeting or the period or date in which the decision was made outside of the meeting;
- 3 name and last name of present or absent Supervisory Board members, with a note on the reason for their absence;
- 4 name and last name of absent Supervisory Board members who participate in decision-making;
- 5 name, last name and function of present persons who are not members of the Supervisory Board, as well as the name and last name of the minute taker;
- 6 time of start and conclusion of meeting;
- 7 determined agenda;
- 8 the proposed decisions on particular agenda items which were decided on at the meeting, if these proposals differ from the decision from the proposed agenda;
- 9 voting manner;
- 10 decisions made on each agenda item, with voting results;

- 11 name and last name of persons who participated in the discussion, with important content of their discussion.

Meeting number is run under a specific number, starting from number 1, which notes the constituting meeting, continuously up until the meeting that precedes the next constituting Supervisory Board meeting.

The minutes on the Supervisory Board meeting from paragraph 1 of this Article are signed by the President of the Supervisory Board or the Vice-President who ran the meeting, as well as the minute taker.

The minutes are delivered to members of the Company Supervisory Board and Management Board.

#### Article 19

The minutes on the Supervisory Board meeting or the work of the Supervisory Board are verified, in general, at the very next Supervisory Board meeting, as the first agenda item.

In the event that a certain question is disputed and members of the Supervisory Board do not agree on whether what was noted in the minutes matches what occurred at the meeting the minutes refer to, a vote shall take place on changes to the minutes according to a proposal of a member of the Supervisory Board. A validly made decision shall not be changed based on a change of minutes, if it is determined it was validly made. To do this, a new Supervisory Board decision needs to be made on which proposal for making a decision is decided on by Supervisory Board members, who decide in a meeting where the decision shall be made.

### PRESIDENT AND VICE-PRESIDENT OF THE SUPERVISORY BOARD

#### Article 20

The President of the Supervisory Board organizes and manages the work of the Supervisory Board, in accordance with the provisions of these Rules of Procedure and especially the following:

- They take care to prepare for the Supervisory Board meeting and decisions outside the meeting; makes work plans and ensures that the time and agenda of future meetings allow the Supervisory Board to conduct their duties in an efficient and timely manner
- Calls for meetings and presides over Supervisory Board meetings
- Determines the existence of conditions for duly made decisions;
- Puts forth proposed decisions for voting at the meeting and outside of it;
- Determines and publishes the results of voting on particular proposals on which members of the Supervisory Board decided on;
- Signs all acts related to the Supervisory Board;

- Takes care that the work of the Supervisory Board complies with the provisions of legislation, Company Articles of Association, these Rules of Procedure and decisions of the Company General Assembly;
- Represents the Company in front of the Management Board.

The provisions of these Rules of Procedure regarding the President of the Supervisory Board relate to the Vice-President of the Supervisory Board as well, who replaces them when they are indisposed.

#### Article 21

The Supervisory Board, through simple majority, chooses the President and Vice-President of the Supervisory Board amongst themselves for a time no longer than the expiry of the mandate for which they were chosen for the Supervisory Board.

The Supervisory Board may at any time recall the President and Vice-President, with them still remaining members of the Supervisory Board up until they are recalled by the General Assembly. The Supervisory Board decides on this with the same majority required for the election of the President or Vice-President of said board.

The President or Vice-President of the Supervisory Board may at any time, but not in unfavourable circumstances, resign from their function, while still remaining members of the Supervisory Board. The resignation is decided upon by the Supervisory Board in a manner as determined at the time when the decision was made, with a majority of votes cast.

## RIGHTS AND OBLIGATIONS OF THE SUPERVISORY BOARD MEMBERS

#### Article 22

Supervisory Board members must not conduct tasks which influence Company business for their own or somebody else's gain. They must not be members of the management board or supervisory board of the companies which conduct such activities nor possess a significant share in said companies. Member of the Supervisory Board, before entering into service, must inform the Company secretary on all shares in these companies and no later than 3 (three) days from attaining additional shares in such companies they must also inform the Company secretary. Along with members of the Supervisory Board attaining shares from this Article, the same applies to persons connected to members of the Supervisory Board attaining said shares.

All information which the Company gives to members of the Supervisory Board or committees formed by the Supervisory Board and which are not publicly disclosed shall be considered strictly confidential and members are not authorized to make them available or reveal them to third parties without the explicit prior consent of the Management Board and President of the Supervisory Board in each individual instance.

## BUSINESS SAFETY CERTIFICATE

### Article 23

Members of the Supervisory Board who do not have a valid business safety certificate issued by the office of the National Security Council, when publishing their duties in the Supervisory Board must not, when concluding or executing classified agreements which they will conclude with the Company, access classified data of a higher level than LIMITED.

Each current and future member of the Supervisory Board is obligated to inform the President or Vice-President of the Supervisory Board in a timely manner on possessing or changing the status of the connected business safety certificate or on attaining a certificate or expiry of certificate.

Each member of the Supervisory Board who does not have a valid business safety certificate or due to personal reasons does not want to access classified data while conducting their duties, is obligated to sign a statement confirming this and certify it before a notary public.

The President of the Company Management Board shall sign a statement which lists all members of the Supervisory Board who must not access classified data in accordance with these Rules of Procedure and confirms that listed members shall not access classified data of a level higher than LIMITED when concluding and performing classified agreements which shall be concluded by the Company.

The President or Vice-President of the Supervisory Board are responsible for implementing the obligations from this Article.

## CORPORATE SOCIAL RESPONSIBILITY

The Supervisory Board is authorized to organize meetings with external stakeholders which they consider to be necessary for a better understanding of questions important for the company, including opinions on company reputation and results.

The President of the Management Board must be informed beforehand on the aforementioned communication.

## BOARDS (COMMISSIONS) OF THE SUPERVISORY BOARD

### Article 24

When conducting their tasks, the Supervisory Board must establish the following:

- Appointment board;

- Income board and
- Audit board;

It may also form other temporary boards or commissions.

When the Supervisory Board has less than 5 members, the functions of the appointment board and income board may be combined into a single board.

The Supervisory Board determines the mandate and activities of each board it establishes and adopts rules of procedure regarding their work.

Boards may not decide on questions that are the competence of the Supervisory Board.

Boards are obligated to report to the Supervisory Board on their work, often as per an order of the Supervisory Board.

## FINAL PROVISIONS

### Article 25

Supervisory Board documents and decisions are stored in the Company archive and kept permanently.

### Article 26

Decisions on changes and additions to the Supervisory Board Rules of Procedure are made with a simple majority of votes.

### Article 27

These Rules of Procedure enter into force at the time of adoption at a Supervisory Board meeting.

PRESIDENT OF THE SUPERVISORY BOARD

Jasmin Kotur