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Certified translation from the Croatian language

Pursuant to Article 26 of the Articles of Association, the Supervisory Board of the company CROATIA osiguranje d.d., Vatroslava Jagića 33, Zagreb, PIN: 26187994862 (hereinafter: Company), at its 25th meeting held on 8 April 2024, adopted the following

MANAGEMENT BOARD REMUNERATION POLICY

1. INTRODUCTORY PROVISIONS

This Remuneration Policy regulates the remuneration paid to members of the Management Board for their work in the Company (the term “member of the Management Board” shall include the Chairman of the Management Board, unless the actual wording or the context undoubtedly indicate that the term does not include the Chairman of the Management Board) under a concluded employment contract and agreement on performance of tasks which entail special rights and obligations as well as under the Company’s internal documents, and defines the connection between those documents and the business strategy and long-term development of the Company (hereinafter: “Policy”). It also serves as the basis for drawing up of annual reports on remuneration paid or promised to be paid by the Company to a current or former Management Board member.

This Policy derives from the following regulatory framework:

- Companies Act (Official Gazette 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15, 40/19, 34/22, 114/22, 18/23, 130/23)
- Insurance Act (Official Gazette 30/15, 112/18, 63/20, 133/20, 151/22)
- 2019 Corporate Governance Code.

The Company ensures that this document is compliant with internal rules, policies, guidelines and strategies.

2. APPOINTMENTS AND REMUNERATIONS COMMITTEE

The Supervisory Board establishes the Appointments and Remunerations Committee (hereinafter: “Committee”) and appoints its members.

Each member of the Committee has to possess the appropriate skills, knowledge and education as well as professional and practical experience required to perform the activities falling within the scope of competence of the Committee.

In the context of its activities relating to remunerations, the Committee has the following responsibilities:

- It makes recommendations to the Supervisory Board regarding Management Board remuneration policies at least every three years
- It makes recommendations to the Supervisory Board regarding remunerations payable to the Chairman and members of the Management Board based on the assessment of Company’s performance and their personal performance
- It makes recommendations to the Supervisory Board regarding Supervisory Board Remunerations Policy, which is to be referred to the General Assembly for approval
- It monitors the amounts and structure of remunerations payable to senior management and employees in general and makes recommendations to the Management Board regarding its policies,
- It oversees the drafting of the legally prescribed compulsory annual report on remunerations, which is sent to the Supervisory Board for approval.

The Supervisory Board is responsible for delivering, implementing and monitoring this Policy.

The Committee convenes at least once a year. Description of the tasks falling under the competence of the Committee has to be available on the Company's website. The Committee's work report is included in the annual report, which has to comprise information about the number of meetings held and about Committee members.

Each year, the Committee re-evaluates the scope of its work and its own efficiency as well as the quality of the information obtained by it, and recommends any changes that need to be made.

3. MANAGEMENT BOARD REMUNERATION PRINCIPLES

Remuneration Policy is intended to reward Management Board members in proportion to their areas of activity and responsibility, in line with applicable regulations. The appropriate combination of a fixed and variable portion of the remuneration of Management Board members was determined in a way to create an incentive for Management Board members to ensure the overall Company's prosperity in the long run.

Basic Management Board remuneration principles are the following:

- Alignment between all elements of the remuneration and the responsibility for actual performance achieved
- Balance between short-term efficiency and long-term growth of the value of the Company by combining one-year and multiple-year objectives
- Short-term and long-term objectives are defined as financial and specific non-financial objectives the combination of which stimulates development of new products, operations and organisation (transfer of knowledge and skills – reward system; development of new business segments)
- Establishment of a system of measurable objectives aimed at transparency
- Rewarding based on tasks of the same or similar level of complexity, in line with the conditions on the market
- Performance-based rewarding, with the variable part of the paid out reward reflecting the overall achievement of the Company's objectives as well as the Management Board member's own contribution
- Good managerial practices and implementation of a system of values are key for the Company's business success, which is why the nonfinancial objective is defined through conduct that indicates good-quality, efficient and ethical management of human resources and business operations
- Rewarding/incentivizing encourages professionalism and excellence, regardless of gender, ethnicity, age, disability or other.

4. KEY ELEMENTS OF MANAGEMENT BOARD REMUNERATION PACKAGE

In the Company's Remuneration Policy, total remuneration comprises:

- Fixed remuneration,
- Variable remuneration,
- Additional benefits,

each in the maximum amount as specified below in this Policy.

The reward system must be focused on sustainable growth of the Company. All elements of the remuneration must be appropriate, from the aspect of the individual element, but also in the aggregate. The specified

elements must not entice Management Board members to take unreasonable risks that would be contrary to the long-term interests, business strategy, objectives or values of the Company and the Group.

4.1 Fixed remuneration

BASE SALARY

Base salary is based on and aligned with the conditions on the labour market in the insurance sector and/or the overall labour market for similar of same-level complexity jobs, because the objective is for the base salary to reflect the demands of the position and the skills and experience needed to perform the work of managing and representing a company.

Where the information obtained by comparison with the labour market is insufficient or insufficiently precise, additional information is taken into consideration, such as:

- Company's performance over the last few years and during the term of office of the relevant Management Board member
- Management Board member's performance in view of the annual objectives set
- strategic changes in the Company's business operations (acquisitions, new product lines, outsourcing and alike)
- Management Board member's individual rewards history
- Market-based values obtained by using the Mercer IPE (International Position Evaluation) methodology, for the Chairman of the Management Board ranging from class 65 to class 69, and for members of the Management Board from class 63 to class 68, determined at the beginning of their term of office in the Management Board
- Probability of the Management Board member voluntarily leaving their position.

Salary supplements and other forms of remuneration that may be paid to a Management Board member are not counted toward the base amount (in addition to the base salary) used for determining the variable remuneration connected with operational result and performance of the member of the Management Board in the case when this type of remuneration is not included in the base salary under the individual Management Board member's employment contract.

Fixed remuneration ensures financial independence from variable remuneration at an individual level, including the possibility of not receiving variable remuneration. The purpose of fixed remuneration is to create an incentive for members of the Management Board to fulfill their duties in the best interest of the Company and to act in accordance with the principles of good faith and fair dealing, and with due care. Fixed remuneration consists of the agreed monthly salary determined in the gross amount.

4.2 Variable remuneration

Variable remuneration is determined based on clear performance criteria which are assessed in line with the achieved objectives and performance of the Management Board member and the performance of the Company as a whole.

Each variable remuneration has to be in line with strategic indicators, values and long-term interests of the Company. The variable remuneration system is created in a way to encourage efficiency, but at the same time to not encourage excessive risks for the Company.

Variable remuneration is paid only to the extent that the proportion between the fixed and variable remuneration remains reasonable.

Variable remuneration may comprise:

- Short-term remuneration – annual bonus for achieved objectives and overall performance on an annual basis
- Long-term remuneration – multiannual bonus for achieved objectives and overall performance in the relevant multiannual period. The objective of multiannual rewarding is to prevent the Management Board member from being focused on short-term results of the Company's operations at the expense of the long-term ones. Multiannual bonus is intended to motivate and reward Management Board members towards long-term growth and prosperity of the Company and the Group and to instill in them a long-term perspective when making decisions.

ANNUAL BONUS

Annual bonus, which depends on achieved objectives in the relevant financial year, is paid in the subsequent financial year, after the adoption of the Annual Report for the relevant year based on the decision of the Supervisory Board. Annual bonus is generally not paid out unless the KPIs reach 95% of the planned values for the relevant year.

The maximum annual bonus may reach a maximum of 83.33% of the Management Board member's annual base salary.

When calculating the amount of variable remuneration, the following principles are taken into consideration:

- Achieved performance of the Company affects 75% of total variable remuneration of Management Board members (for example, net profit and market share, but these can also include additional financial performance indicators).
- Achieved non-financial objectives affect 25% of total variable remuneration of Management Board members (such as, for example, realisation of specific projects, achievement of ESG objectives, assessment of the Supervisory Board regarding qualitative improvement of the Company's status, and alike),

with the Supervisory Board being left the discretion to adjust the overall sum.

Achievement of non-financial objectives which is significantly below the expectations leads to a significant reduction of the variable portion of the remuneration or completely cancels out the payment of annual bonus, regardless of the actual degree of achievement of financial objectives.

Elements used to determine whether the prerequisites for payment of the variable portion of the remuneration have been fulfilled are the audited annual consolidated and standalone financial statements of the Company and the Group, as far as the Company's and the Group's achieved performance is concerned, but also the Company's and the Group's non-financial report and the quantitative and/or qualitative analysis and assessment of the Supervisory Board regarding the achievement of nonfinancial objectives.

Variable remuneration is connected with sustainability and it does not promote the taking of excessive risks. It is paid out at a rate where the proportion between the fixed and variable remuneration remains reasonable.

In the event that it is determined that the Management Board member is entitled to an annual bonus that is higher than 80% of maximum bonus, the difference (excess sum) is paid 3 (three) years after the determination of the right to such payment.

In the event of a negative business situation or revocation of appointment or termination of employment of the Management Board member due to reasons attributable to them, the Supervisory Board may issue a decision that the postponed portion of bonus not be paid out.



Payment of bonus after 3 (three) years have passed since the postponement requires verification by the Supervisory Board, which is made at the same time as the decision on bonus for the previous year.

Variable remuneration, including the postponed portion of such remuneration, is paid or payable only if it is sustainable in the context of the financial situation of the Company as a whole and if it is justified considering the Company's and the Management Board member's personal performance.

MULTIANNUAL BONUS

The multiannual bonus depends on the achievement of specifically determined objectives set for the members of the Management Board over the relevant multi-year period. The right to receive a portion of the multiannual bonus for a particular financial year is generally not realized if the achievement of Key Performance Indicators (KPIs) does not reach 95% of the planned values.

The maximum annual amount of the multiannual bonus can reach up to 83.33% of the annual base salary of the Management Board member.

When calculating the amount of variable remuneration, the following principles are taken into account:

- The achieved financial performance of the Company affects 70% of the total variable remuneration of the Management Board members (for example, net profit and market share, but this may also include additional financial performance indicators),
- Achieved non-financial goals affect 30% of the total variable remuneration of the Management Board members (for example, the realisation of specific projects, achievement of ESG objectives, assessment by the Supervisory Board regarding qualitative improvement of the Company's status, etc.),

with the Supervisory Board being left the discretion to adjust the overall sum.

The right to payment of the multiannual bonus is decided by the Supervisory Board of the Company based on the Company's financial performance and achievement of nonfinancial objectives, and based on the Management Board member's personal contribution during the relevant multiannual period, specifically on the achievement of the set objectives based on the plan and evaluation of work performance (i.e, based on the achievement of Key Performance Indicators (KPIs).

Up to 50% of the bonus can be paid after the final annual account, while the remaining amount of the multiannual bonus realized in a particular year is retained until the end of the relevant multiannual period to be used for aligning the total amount of the multiannual bonus payable at the end of the relevant multiannual period, in accordance with the KPIs for that period.

Achievement of non-financial objectives which is significantly below the expectations leads to a significant reduction of the variable portion of the remuneration or completely cancels out the payment of multiannual bonus, regardless of the actual degree of achievement of financial objectives.

Multiannual bonus is intended to motivate and reward Management Board members towards long-term growth and prosperity of the Company and to instill in them a long-term perspective when making decisions.

In the event that it is determined that the Management Board member is entitled to a multiannual bonus that is higher than 80% of the maximum bonus payable in the year when their term of office ends, the difference (excess sum) is paid 3 (three) years after the determination of the right to such payment.



In the event of a negative business situation or revocation of appointment or termination of employment of the Management Board member due to reasons attributable to them, a decision may be issued that the postponed portion of bonus not be paid out.

Payment of bonus after 3 (three) years have passed since the postponement requires verification by the Supervisory Board, which is made at the same time as the decision on bonus for the previous year.

Multiannual bonus is paid or payable only if it is sustainable in the context of the financial situation of the Company as a whole and if it is justified considering the Company's and the Management Board member's personal performance.

In the event of occurrence of certain circumstances defined by law or another applicable rule, the Company may demand that paid-out variable remuneration be refunded.

VARIABLE REMUNERATION PAYMENT MODEL

Variable remuneration is payable in cash and/or in shares of the parent/affiliated company, which is for the Supervisory Board to decide at its own discretion.

The Supervisory Board is authorized to define the method of determining the market price at which the Company's shares or the shares of a parent/affiliated company will be awarded, and to determine whether the shares will be transferred to the Management Board member's account or to a special Company's account. Moreover, it also defines the period of prohibition of trading in the awarded shares.

Inclusion of the employees in the shareholder structure contributes to raising the employees' interest in the Company's and the Group's success, their motivation for the growth of the Company and the Group, preservation of jobs and securing the stability of the business model. By recognizing their interest in the long-term success of the Company and the Group, the inclusion of employees in the shareholder structure creates a connection between the employees and the Company and emphasizes the long-term aspect in decision-making.

Assignment of shares contributes to the Management Board members being focused on an appropriate balance between short-term and long-term objectives.

4.3 Additional benefits

Additional benefits are not connected with work performance and they are determined by the Agreement on performance of tasks which entail special rights and obligations. The Supervisory Board regularly analyses the level of benefits and, if necessary, changes and adjusts them.

Additional benefits include:

- 24/7 use of company car
- Life insurance policy
- Additional and supplementary health insurance
- Accident insurance policy
- Personal liability insurance policy
- Pension insurance - 3rd pillar voluntary pension insurance.

5. AGREEMENT CONCLUDED WITH THE MANAGEMENT BOARD MEMBER



5.1 Agreement

Management Board members conclude Agreements on Performance of Tasks Entailing Special Rights and Obligations with the Company, which is represented by the Chairman of the Management Board. Based on such agreements, they (as a rule) enter into an open-ended employment relationship with the Company and agree to perform the tasks of a member of the Management Board during the term of office for which they have been appointed by the Supervisory Board.

The individual employment contract with a member of the Management Board specifies the monthly base salary and the maximum amount of the annual bonus, as well as the maximum amount of the multiannual bonus.

To protect the legitimate interests of the Company, contractual provisions include clauses to avoid conflicts of interest, non-compete clauses, clauses safeguarding the Company's trade secrets, protection of data confidentiality, and protection of personal data in accordance with applicable regulations.

5.2 Notice period

In the event of termination of employment, the Management Board member has the right to a notice period of at least 2 months.

5.3 Severance pay

The cases and conditions for acquiring the right to severance pay, as well as the method and deadlines for its payment, are determined by the Agreements on Performance of Tasks Entailing Special Rights and Obligations, whereby it cannot be contracted in any single case in an amount exceeding 10 (ten) times the base salary of the Management Board member.

6. ALIGNMENT OF REMUNERATION PAYABLE TO MANAGEMENT BOARD MEMBERS WITH CERTAIN CONDITIONS

In determining the remuneration payable to Management Board members, the Company makes sure that the amount of remuneration is aligned with the internal and external context. In terms of internal alignment, this means that remuneration is based on job complexity according to a recognized and scientifically verified job evaluation methodology. This evaluation is performed for and applies to all positions in the Company. External alignment means that remuneration is aligned with market conditions in the financial and insurance industry.

7. MEASURES INTENDED TO PREVENT CONFLICT OF INTEREST REGARDING REMUNERATION

Measures included in the Remuneration Policy intended to prevent conflict of interest are the following:

- Alignment of variable remuneration with the financial context, risk management, legal regulations, compliance and human resource management aspects
- A Management Board member is not included in the decision-making process regarding their own remuneration
- The Committee is responsible for contracting individual reward packages (including variable-pay rewards) for members of the Management Board

- Financial objectives applying to members of the Management Board are defined in a way that they are mutually balanced out so that in the event of a high level of achievement of any one financial objective which would result from unethical conduct, this would cause a lower level of achievement of another financial objective.

8. PROCEDURE OF DELIVERING, IMPLEMENTING AND MONITORING REMUNERATION POLICIES

The Supervisory Board adopts the Remuneration Policies at the recommendation of the Committee, as described in Article 2 hereof.

Remuneration Policies serve as a basis for drawing up annual remuneration reports and they have to be aligned with one another.

The Supervisory Board submits the Policies to the General Assembly for decision-making (approval) at least once every four years and each time they need to be significantly changed based on the recommendation of the Committee.

In the event that the General Assembly does not approve the Remuneration Policies, the Supervisory Board shall submit a reviewed and revised Remuneration Policy at the next General Assembly meeting, where it shall be put to vote.

9. DIVERGENCE FROM THE REMUNERATION POLICY

The Supervisory Board has the authority to diverge from this Policy in the part where it applies to fixed and variable remuneration (by defining different amounts of remuneration) in the following cases:

- Extraordinary circumstances in the market that demand an extraordinary cost reduction
- Inability to hire an adequate candidate in the local labour market
- Significant disturbance in the local labour market in terms of the mentioned elements of remuneration being non-competitive
- Emergency measures being needed to retain a particular Management Board member.

The opinion about the justifiability of divergence from this Remuneration Policy is issued by the Committee, and in the event of a negative opinion, the Supervisory Board may temporarily diverge from this Remuneration Policy only if the decision to do so is accepted unanimously by all members of the Supervisory Board.

When temporary divergence from the Remuneration Policy is required, i.e., when extraordinary circumstances defined in this Remuneration Policy arise, the Supervisory Board shall issue a decision on temporary divergence from the Remuneration Policy, specifying how the Policy is to be implemented during such extraordinary circumstances, in the part that is being temporarily diverged from. If the Supervisory Board believes that divergence from the Remuneration Policy should last longer than one year, and the divergence involves an important change to the Policy, the Supervisory Board shall submit a proposal for amendments to the Policy at the first subsequent General Assembly meeting, for General Assembly approval.



10. FINAL PROVISIONS

This Policy shall be reviewed when required, but in any case it is to be reviewed at least every 4 (four) years. Where no changes are to be introduced, a special decision shall be issued in confirmation of this fact.

The drafting of a recommendation for amendments and the consolidating of the text of this Policy shall be the responsibility of the Committee, whereas the Company's Human Resources Department shall provide professional support to the Supervisory Board and/or Committee, at their request, and it shall be responsible for implementing the Policy.

The decision of the General Assembly and the approved Remuneration Policy shall be published immediately after the General Assembly meeting is held. They shall be published on the Company's website, with indication of the date of their entering into effect.

The Policy enters into effect on the date when it is approved by the Company's General Assembly, as a revised version of the Management Board Remuneration Policy adopted in 2020, and it shall remain valid for the period lasting from the specified date of its adoption in 2024 until the same such date in 2028.

Chairman of the Supervisory Board

(Handwritten signature)

Roberto Škopac

I, Ana Brezovac, authorized court interpreter for the English and German language, as appointed by the Decree of the Minister of Justice and Public Administration, Class: UP/I-710-02/23-01/606, Reg. No.: 514-03-03-03/02-23-09 of 9 January 2024 do hereby certify that the above translation fully corresponds to the attached document written in the Croatian language.

Cert. No.: 509/2024

Zagreb, 9 April 2024



