Dalekovod d.d.
Zagreb, Marijana Čavića 4

REMUNERATION POLICY

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Based on Article 247a, and in relation to Article 276a of the Companies Act (Official Gazette 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 111/12, 68/13, 110/15,40/19, 34/22, 114/22, 18/23, 130/23, 136/24; hereinafter CA) and the provisions of the Corporate Governance Code of the Croatian Financial Services Supervisory Agency and Zagrebačka burza d.d. (in force since 1 January 2025), the Supervisory Board of Dalekovod d.d., at its meeting held on 28 April 2025, establishes and submits for approval to the General Assembly of Dalekovod, d.d., to be held on 10 June 2025, the following

REMUNERATION POLICY

Section 1 *Objectives of the remuneration policy*

(1) This Policy establishes the remuneration system for the members of the Management Board aimed to ensure that clearly defined and transparent policies and procedures are prescribed to determine the remuneration for the members of the Management Board by which their interests are aligned with the long-term interests and successful and ethical implementation of the strategy of Dalekovod d.d. (hereinafter: the Company). Since the Company is part of a corporate group (hereinafter: KONČAR Group) and is included by way of full consolidation into the financial statements of KONČAR Group, this Policy is aligned with the model of the Remuneration Policy of KONČAR d.d. (hereinafter: parent company KONČAR d.d.). The remuneration for the members of the Management Board is determined in accordance with the agreed Company strategy, the acceptable risk level and the current economic environment.

(2) The Company wishes to achieve a balance between monetary and non-monetary awards, and fixed and variable remuneration for the members of the Management Board. Monetary and non-monetary awards are related to the Company's values and strategies. Remuneration is fixed and/or variable. Fixed remuneration reflects the relevant professional experience, competence and organisational responsibility of the Management Board members. Variable remuneration (variable remuneration and long-term share-based incentive plan) is based on performance and, in exceptional cases, on other conditions. Variable remuneration ensures incentive for a reasonable long-term risk assumption level and sound risk management practices.

(3) The Remuneration Policy is based on the principles of equality, non-discrimination and sustainable development. The variable part of the remuneration is based on objective and measurable performance criteria, including the achievement of sustainability objectives, which will be defined separately. In doing so, consideration is given to ensuring fairness with regard to remuneration and working conditions of all employees. The policy is applied in a non-discriminatory manner, while promoting transparency and responsible business practices.

(4) This Policy also establishes the remuneration system for the members of the Supervisory Board that reflects their time load and duties, including their time load and duties in the supervisory board committees, but does not include the variable elements related to business performance.

Section 2 *Remuneration Committee*

(1) The Supervisory Board shall establish the Remuneration Committee (hereinafter: the Committee) for the purpose of providing an expert and independent opinion on remuneration policies and practices as well as on the incentives established for risk management, by appointing Board members.

(2) The Remuneration Committee's main tasks are as follows:

- at least once every three years, propose to the Supervisory Board the remuneration policy for Management Board members, giving due consideration to the amount and structure of the remuneration for senior management and workers as a whole, and carry out a preliminary assessment of the effect of the said policy on equal remuneration for employees of different genders for equal work and/or work of equal value;
- once a year, propose to the Supervisory Board the remuneration that Management Board members should receive based on the assessment of the Company's and individual performance, with prior consultations with the Head of the Management Board, taking care of the equality of remuneration for employees of different genders for equal work and/or work of equal value;
- propose to the Supervisory Board the remuneration policy for Supervisory Board members to be approved by the General Assembly, and carry out a preliminary assessment of the effect of the said policy on equal remuneration for employees of different genders for equal work and/or work of equal value;
- supervise the amount and structure of remuneration for senior management and workers as a whole with due regard to ensuring equal remuneration for employees of different genders for equal work and/or work of equal value, and provide recommendations to the Management Board on its policies
- oversee the preparation of the legally required annual remuneration report for approval by the Supervisory Board

Section 3 *Company's remuneration policy, business strategy and long-term development*

(1) The remuneration policy defined herein is designed to promote, and comply with, transparent and efficient governance, and to prevent the assumption of any risks that are not in line with the Company's business strategy and long-term development.

(2) This Remuneration Policy is designed to achieve the long-term economic interests of the Company, its shareholders and workers.

(3) The Remuneration Policy is aligned with the business strategy of the Company and KONČAR Group, and the variable amount of remuneration is conditioned upon the

achievement of the adopted business plans, allowing the business policy to contribute to the Company's long-term development.

Section 4 *Preventing conflict of interest*

(1) This Remuneration Policy is aligned with the business strategies, objectives, values and interests of the Company, its shareholders and workers, and includes measures to prevent conflict of interest.

(2) The Company's Management Board shall make sure that remuneration-related principles and procedures are formulated in such a manner that the Management Board's decisions are balanced and compliant with the best interests of the Company, its shareholders and workers, which is achieved by using risk-adjusted performance indicators which also take into account qualitative criteria (such as violating statutory limitations, etc.).

Section 5 *Total remuneration*

(1) The total remuneration of Management Board members (hereinafter: Total Remuneration) is structured as follows:

	Head of the Management Board	Member of the Management Board
Fixed remuneration	45%	47.5%
Variable remuneration	35%	37.5%
Long-term incentive plan (LTIP)	20%	15%

(2) In addition to Total Remuneration, Management Board members shall have the right to other remuneration, pursuant to Section 10 of this Policy.

(3) The maximum amount of the total remuneration of Management Board members is determined at the beginning of the business year for each Management Board member individually, except that the total paid-out Variable Remuneration and remuneration based on the Long-Term Share-Based Incentive Plan may not be higher than 5 % of the Company's achieved net profit for the year for which the remuneration is paid out.

If this amount exceeds 5 % of the Company's available net profit, the proportionately decreased amount of the annual Variable Remuneration and of the remuneration based on the Long-Term Share-Based Incentive Plan shall be calculated and paid to the members of the Management Board. If the Company's business year ends with a financial loss, Management Board members shall not be entitled to a payout of the Variable Remuneration nor remuneration based on the Long-Term Share-Based Incentive Plan.

Section 6 *Fixed remuneration*

(1) Fixed remuneration of Management Board members does not encourage the assumption of high risk.

(2) Fixed remuneration of Management Board members aims to:

1) reflect the value of work, competencies, experience and market contribution

2) achieve a balance between responsibility, knowledge, skills and experience (market value of work and the individual)

3) promote the work environment in the Company in the sense of:
   a) effectiveness (objectives set, results achieved, feedback ensured)
   b) development (career, employment opportunities) and
   c) core competencies (growth, responsible conduct, excellence in performance and cooperation within the team are encouraged)

(3) Fixed remuneration, that is, the basic fixed salary of Management Board members is determined in a gross amount. The basic salary shall include the flat-rate compensation for work beyond daily working hours, paid leave, and holidays and non-working days prescribed by law, and the compensation for the days of temporary inability to work up to 42 days (inclusive).

(4) Management Board members shall not be entitled to any special compensation, that is, a salary increase for overtime work, that is, work in excess of full-time hours or for a redistribution of working hours, nor to any bonuses for the purpose of the provisions of the Company's internal acts, except for those explicitly provided for by the resolution of the Company's Supervisory Board. In addition, the Management Board members shall not be entitled to awards and/or compensations for work in the bodies of the KONČAR Group companies. All the above-mentioned bonuses, awards and compensations are included in the basic salary.

Section 7 *Variable remuneration*

(1) Depending on the performance results of Dalekovod Group and KONČAR Group, Management Board members shall also be entitled to variable remuneration. Variable remuneration is determined in a gross amount and conditioned upon the achievement of the targets for the members of the Company's Management Board at the level of 100 % (hereinafter: Variable Remuneration). The targets for the Management Board members are adopted by the Company's Supervisory Board for each business year in accordance with the approved Business Plan of the Company and KONČAR Group.

(2) Variable performance-based remuneration is calculated according to the following criteria:

2.1. Group financial targets

2.1.1. The target related to actual consolidated normalised EBITDA compared to the planned consolidated normalised EBITDA for the KONČAR Group:

(a) If the actual consolidated normalised EBITDA of the KONČAR Group is 80 % or less than 80 % of the plan for a particular business year, the Management Board member shall not be entitled to Variable Remuneration under this criterion;
(b) If the actual consolidated normalised EBITDA of the KONČAR Group exceeds 80 %, but is less than or equal to 100 % of the plan, the Management Board member shall be entitled to the amount of the Variable Remuneration which is calculated by applying the linear interpolation within the specified achievement range (for each full percentage point by which the actual consolidated normalised EBITDA of the KONČAR Group falls below the amount representing 100 % of the planned consolidated normalised EBITDA of the KONČAR Group, Variable Remuneration under this criterion shall be reduced by 5 %).
(c) If the actual consolidated normalised EBITDA of the Končar Group exceeds 100 % but is less than or equal to 120 % of the plan, the Management Board member shall be entitled to the full amount of the variable part of the salary that would be paid to such member of the Management Board under this criterion (100 % of the amount of the variable part of the salary), with a proportionate increase of the variable part of the salary by 1 % for each full percentage point by which the actual consolidated normalised EBITDA exceeds the amount representing 100 % of the planned normalised EBITDA, up to not more than 120 % of the amount of the variable part of the salary under this criterion.
(d) If the actual consolidated normalised EBITDA of the KONČAR Group exceeds 120 % of the plan, the Management Board member shall be entitled to the amount of Variable Remuneration in the amount of 120 % under this criterion.

The share of the target related to the actual consolidated normalised EBITDA of the KONČAR Group in the total variable part of the remuneration shall be 5 %.

2.1.2. Consolidated sales revenue of the KONČAR Group compared to the plan:

(a) If the actual consolidated sales revenue of the KONČAR Group is 85 % or less than 85 % of the planned sales revenue for a particular business year, the Management Board member shall not be entitled to Variable Remuneration under this criterion.
(b) If the actual consolidated sales revenue of the KONČAR Group exceeds 85 %, but is less than or equal to 100 % of the plan, the Management Board member shall be entitled to the amount of Variable Remuneration calculated by applying the linear interpolation within the specified range of achievement (for each full percentage point by which the actual consolidated sales revenue of the KONČAR Group falls below the amount representing 100 % of the planned consolidated sales revenue of the KONČAR Group, the Variable Remuneration under this criterion shall be reduced by 6.66 %).
(c) If the actual consolidated sales revenue of the KONČAR Group exceeds 100 %, but is less than or equal to 110 % of the plan, the Management Board member shall be entitled to the amount of Variable Remuneration as follows: for each full percentage point by which the actual consolidated sales revenue of the KONČAR Group exceeds the amount representing 100 % of the planned consolidated sales revenue of the KONČAR Group, the Variable Remuneration shall be increased by 2 %, up to not more than 120 % of the amount of Variable Remuneration under

this criterion (101 % performance results in a 102 % payout, 110 % performance results in a 120 % payout).

(d) If the actual consolidated sales revenue of the KONČAR Group exceeds 110 % of the plan, the Management Board member shall be entitled to the amount of Variable Remuneration in the amount of 120 % under this criterion.

The share of the target related to actual sales revenue in the total variable part of the remuneration shall be 5 %.

2.2 Individual financial targets

2.2.1. Target related to actual sales revenue of the Dalekovod Group compared to the plan:

(a) If Dalekovod Group's actual sales revenue amounts to 85 % or less than 85 % of the planned sales revenue for a particular business year, the Management Board member shall not be entitled to Variable Remuneration under this criterion.

(b) If the Dalekovod Group's actual sales revenue exceeds 85 %, but is less than or equal to 100 % of the planned sales revenue, the Management Board member shall be entitled to Variable Remuneration calculated using linear interpolation within the specified achievement range (for each full percentage point by which the actual Dalekovod Group sales revenue falls below the amount representing 100 % of the planned sales revenue, the Variable Remuneration under this criterion shall be reduced by 6.66 %).

(c) If the Dalekovod Group's actual sales revenue exceeds 100 % but is equal to or less than 110% of the planned sales revenue, the Management Board member shall be entitled to Variable Remuneration as follows: for each full percentage point by which the actual Dalekovod Group sales revenue exceeds the amount representing 100 % of the planned sales revenue, the Variable Remuneration shall increase by 2 %, up to a maximum of 120 % of the Variable Remuneration under this criterion (101 % performance results in a 102% payout, while 110% performance results in a 120 % payout).

(d) If the Dalekovod Group's actual sales revenue exceeds 110 % of the planned sales revenue, the Management Board member shall be entitled to 120 % of the Variable Remuneration under this criterion.

The share of the target related to the achievement of sales revenue in the total variable part of the remuneration shall amount to 20 %.

2.2.2. The target related to the achievement of the normalised EBITDA of the Dalekovod Group compared to the plan:

(a) If the Dalekovod Group's actual normalised EBITDA amounts to 80 % or less than 80 % of the planned normalised EBITDA for the particular business year, the Management Board member shall not be entitled to Variable Remuneration under this criterion.

(b) If the Dalekovod Group's actual normalised EBITDA exceeds 80 % but is equal to or less than 100 % of the planned normalised EBITDA, the Management Board member shall be entitled to Variable Remuneration calculated using linear interpolation within the specified achievement range (for each full percentage point by which the actual normalised EBITDA falls below 100 % of the planned normalised EBITDA, the Variable Remuneration under this criterion shall be reduced by 5 %).

(c) If the actual normalised EBITDA of the Dalekovod Group exceeds 100 % but is equal to or less than 120 % of the planned normalised EBITDA, the Management Board member shall be entitled to the amount of Variable Remuneration as follows: the Management Board member shall be entitled to the amount of the full variable part of the salary that would be paid out to the Management Board member under this criterion (100 % of the amount of the variable part of the salary), with a proportionate increase of the variable part of the salary by increasing the variable part of the salary by 1 % (up to not more than 120 % of the amount of the variable part of the salary under this criterion) for each full percentage point by which the actual consolidated EBITDA of the Dalekovod Group exceeds the amount representing 100 % of the planned normalised EBITDA of the Dalekovod Group.

(d) If the actual normalised EBITDA of the Dalekovod Group exceeds 120 % of the planned normalised EBITDA, the Management Board member shall be entitled to the amount of Variable Remuneration in the amount of 120 % under this criterion.

The share of the target related to the actual EBITDA in the total variable part of the remuneration shall amount to 40 %.

2.2.3. The target related to actual contracted works of the Dalekovod Group compared to the plan:

(a) If the Dalekovod Group's actual contracted works amount to 85 % or less than 85 % of the planned contracted works for the particular business year, the Management Board member shall not be entitled to any Variable Remuneration under this criterion.

(b) If the Dalekovod Group's actual contracted works exceed 85 % but are equal to or less than 100 % of the planned contracted works, the Management Board member shall be entitled to the amount of Variable Remuneration calculated using linear interpolation within the specified achievement range (for each full percentage point by which the actual contracted works fall below 100 % of the planned contracted works, the Variable Remuneration under this criterion shall be reduced by 6.66 %).

(c) If the Dalekovod Group's actual contracted works exceed 100 % but are less than or equal to 110 % of the planned contracted works, the Management Board member shall be entitled to Variable Remuneration as follows: for each full percentage point by which the actual contracted works exceeds 100 % of the planned contracted works, the Variable Remuneration shall increase by 2 %, up to a maximum of 120 % of the Variable Remuneration under this criterion (101 % performance results in a 102 % payout, while 110 % performance results in a 120 % payout).

(d) If the Dalekovod Group's actual contracted works exceed 110 % of the planned contracted works, the Management Board member shall be entitled to 120 % of the Variable Remuneration payable under this criterion.

The share of the actual contracted works target in the total variable part of remuneration shall be 20 %.

2.3 Non-financial targets are established for each business year, and the performance component linked to the achievement of such non-financial targets shall account for 10 % of the total variable part of remuneration.

(3) The Company's Supervisory Board shall determine the total Variable Remuneration in the gross amount on the basis of the annual audited consolidated financial statements of the KONČAR Group and the Dalekovod Group. In the event of the Company's exceptional business performance, the Supervisory Board may decide to grant an additional incentive to the members of the Management Board.

(4) A member of the Management Board may, but is not obligated to, elect to receive 50 % of the total Variable Remuneration in the form of shares of the parent company, KONČAR d.d. (hereinafter: (hereinafter: *Share-Based Variable Remuneration*), while the remaining portion of the total Variable Remuneration shall be paid in cash (hereinafter: *Cash-Based Variable Remuneration*). The Management Board member shall notify the Supervisory Board of such decision no later than 30 days after the annual financial statements have been approved for the business year in respect of which the Variable Remuneration has been determined.

(5) Where a member of the Management Board elects to receive the Share-Based Variable Remuneration in accordance with paragraph 4 of this Section:

a) The total number of shares to be allocated by the parent company, KONČAR d.d., to a member of the Management Board on such basis shall be determined by reducing 50 % of the total Variable Remuneration by the amount of the so-called hypothetical personal income tax (the tax liability that would have been payable to the Tax Administration if the employee were to bear the personal income tax burden), and dividing the resulting amount by the price calculated as the weighted average of all the prices of the shares of KONČAR d.d. traded on a regulated market in the last three months of the business year in respect of which the Variable Remuneration is determined, excluding block trades, with the resulting number rounded down to the nearest whole share.

b) The applicable personal income tax shall be borne by the Company.

(6) Cash-Based Variable Remuneration and Share-Based Variable Remuneration shall be paid according to the following schedule:

a) Cash-Based Variable Remuneration shall be paid to the Management Board member within 60 days of the approval of the annual financial statements for the business year in respect of which the Variable Remuneration is determined.

b) Share-Based Variable Remuneration shall be paid in two equal instalments:

i. The first instalment shall be paid within 30 days after the holding of the Company's General Assembly at which the annual financial statements are discussed for the business year in respect of which the Variable Remuneration is determined.

ii. The second instalment shall be paid one year after the payment of the first instalment of the Share-Based Variable Remuneration, provided that the member of the Management Board has not been removed from office due to misconduct (in accordance with the provisions of Section 8, paragraph 9b of this Remuneration Policy) up to the date of the payout of the second instalment.

(7) A member of the Management Board who has elected to receive the Share-Based Variable Remuneration may also be entitled to additional shares for the relevant business year (hereinafter: *Additional Shares*) in an amount equal to 10 % of the number of shares received as Share-Based Variable Remuneration, acquired by the Management Board member in the above-described manner (rounded to a whole number).

(8) Additional Shares shall be transferred to the Management Board member within one year after the payout of the second instalment of the Share-Based Variable Remuneration, provided that the member of the Management Board is a member of the management bodies of a company within the KONČAR Group and/or is employed by a KONČAR Group company, or that they commenced receiving pension immediately upon termination of employment in the KONČAR Group and are retired on the date the Additional Shares are paid out.

(9) Shares acquired as Share-Based Variable Remuneration shall be subject to a two-year lock-up period, during which the Management Board member may not sell, donate, pledge and/or otherwise dispose of such shares (in accordance with Section 8, paragraph 9a of this Remuneration Policy).

(10) The Company shall not be entitled to require a Management Board member to repay any Cash-Based Variable Remuneration, Share-Based Variable Remuneration or Additional Shares already received (except in the case referred to in Section 8, paragraph 9b of this Remuneration Policy).

Section 8 *Long-Term Share-Based Incentive Plan (LTSIP)*

(1) Depending on the Company's business performance and the assessment of the Management Board member's contribution to such performance, the Supervisory Board shall grant the Management Board member a *Basic Share Award* in the shares of the parent company, KONČAR d.d. (hereinafter: the Basic Share Award).

(2) This Remuneration Policy sets out the conditions for, and the method of calculating, the Basic Share Award for the members of the Management Board.

(3) A Management Board member shall be eligible to receive the Basic Share Award if:

1. they hold the office of Management Board member on the last day of the business year in respect of which the LTSIP is determined;

2. they have served as a Management Board member for at least 9 (nine) months during the business year in respect of which the LTSIP is determined.

By way of exception, the Supervisory Board may decide to grant a proportional or full Basic Share Award (subject to the conditions set out in Section 8, paragraph 6 of this Remuneration Policy) relating to the business year in which the member's term of office ended, in circumstances such as a general reduction in the number of Management Board members, a takeover or strategic partnership affecting the size or composition of the Management Board, corporate restructuring or other comparable circumstances.

(4) The amount of the Basic Share Award shall be determined on the basis of the following criteria:

a. Achievement of Group financial targets (under the same methodology and conditions as defined in Section 7, paragraph 2), weighted at 25 % of the total LTSIP.

b. Achievement of individual financial targets (under the same methodology and conditions as defined in Section 7, paragraph 2), weighted at 25 % of the total LTSIP.

c. Annual growth in the market capitalisation (hereinafter: AGMC) of the Company's ordinary shares listed on the Official Market of the Zagreb Stock Exchange (hereinafter: the Stock Exchange), weighted at 25 % of the total LTSIP.

d. Annual growth in the market capitalisation of the ordinary shares of the parent company, KONČAR d.d., listed on the Stock Exchange, weighted at 25 % of the total LTSIP.

For a given business year, AGMC is calculated as follows:

i. The total number of ordinary shares is multiplied by the average daily market price of the ordinary shares, calculated as the weighted average of all prices achieved on the regulated market during the last three months of the current year (i.e. the year for which the LTSIP award for Management Board members is determined), excluding block trades.

ii. The total number of ordinary shares is multiplied by the average daily market price of the ordinary shares, calculated as the weighted average of all prices achieved on the regulated market during the last three months of the preceding year, excluding block trades.

iii. The ratio between the values calculated in lines (a) and (b) of this paragraph, reduced by 100%, shall represent the AGMC.

Where the AGMC is less than or equal to zero, the Management Board member shall not be entitled to any Basic Share Award under this criterion.

Where the AGMC is positive but does not exceed 10 % (actual growth 0% < AGMC ≤ 10%), the Management Board member shall be entitled to 100 % of the full number of shares, subject to a 1 % proportional reduction for each one-tenth of a percentage point by which the growth of the actual AGMC falls below the target.

Where the AGMC exceeds 10 % (actual growth 10 % < AGMC), the Management Board member shall be entitled to 100 % of the full number of shares, increased proportionally by 1% for each one-tenth of a percentage point by which the AGMC exceeds the target, up to a maximum of 120 % of the Basic Share Award.

(5) The maximum Basic Share Award available to each Management Board member is determined at the beginning of the business year as a percentage of that member's annual Total Remuneration.

The total number of shares to be awarded to a Management Board member is calculated by dividing the predetermined percentage of annual Total Remuneration by the weighted average market price of the shares of the parent company, KONČAR d.d., achieved on the regulated market during the last three months of the business year preceding the business year for which the Basic Share Award is determined, excluding block trades.

When determining the total number of shares to be awarded, the Supervisory Board shall take into account any corporate events that may affect the final amount of the share award (e.g. new share issues, share splits, corporate reorganisations, business combinations or similar transactions), so as to ensure that the Management Board member is neither advantaged nor disadvantaged as a result of such events.

(6) The Basic Share Award shall be paid out to the Management Board member according to the following schedule:

i. The first instalment in the amount of 50 % of the earned Basic Share Award shall be granted to the Management Board member within 30 days after the holding of the Company's General Assembly at which the annual financial statements for the relevant business year are discussed.

ii. The second instalment in the amount of 25 % shall be granted one year after the payment of the first instalment, provided that the Management Board member is a member of the governing bodies of a company within the KONČAR Group and/or employed by a company within the KONČAR Group, or that they commenced receiving a pension immediately upon termination of employment in the KONČAR Group and are retired on the date of payment of such shares.

iii. The third instalment in the amount of 25 % of the earned Basic Share Award shall be granted to the Management Board member within one year after the payment of the first instalment of the Basic Share Award, provided that the member of the Management Board is a member of the governing bodies of a company within the KONČAR Group and/or employed by a KONČAR

Group company or that they commenced receiving a pension immediately upon termination of employment in the KONČAR Group and are retired on the date of payment of such shares.

(7) In addition to the Basic Share Award, and depending on the Company's business performance, a Management Board member may also be entitled to:

a) Where the performance achieved for a given business year exceeds the established targets to such an extent that, absent the applicable cap, it would justify an award exceeding 120 % of the Basic Share Award, the parent company, KONČAR d.d., shall grant the Management Board member additional *Bonus Shares* equal to the difference between the capped Basic Share Award and the uncapped award that would otherwise have been earned.

   The total number of Bonus Shares may not exceed 30 % of the Basic Share Award. Bonus Shares shall only be awarded if the KONČAR Group achieves at least 100 % of its targets for consolidated normalised EBITDA and consolidated revenue from the sale of products and services in each of the three years following the business year in respect of which the Basic Share Award is determined. Bonus Shares may only be paid out to a Management Board member who is a Management Board member of a company within the KONČAR Group on the date of payment of such shares.

b) The parent company, KONČAR d.d., shall grant additional *Loyalty Shares* equal to 20 % of the Basic Share Award, provided that the KONČAR Group achieves at least 80 % of its targets for consolidated normalised EBITDA and consolidated revenue from the sale of products and services in each of the three years following the business year for which the Basic Share Award is determined. Loyalty Shares shall only be awarded to a Management Board member who is a Management Board member of a company within the KONČAR Group on the date of payment of such shares.

(8) The value of the Basic Share Award, additional Bonus Shares and Loyalty Shares determined for each Management Board member shall be reduced by the amount of the so-called hypothetical personal income tax (i.e., the personal income tax that would have been payable if the employee were to bear such personal income tax). The reduced amount shall then be divided by the weighted average market price of the shares achieved on the regulated market during the last three months of the current year (year for which the amount of the award to Management Board members under the LTSIP is calculated), excluding block trades, with the resulting number rounded down to the nearest whole share. The applicable personal income tax shall be borne by the Company.

(9) The following conditions shall apply to all share awards (Basic Share Award, Bonus Shares and Loyalty Shares):

a) Restrictions on disposal of shares

The awarded shares shall be subject to a two-year lock-up period commencing on the date of award, during which the Management Board member may not sell, transfer, donate, pledge or otherwise dispose of the shares.

b) Termination due to misconduct

If the Management Board member's appointment and/or the agreement governing the mutual rights and obligations of the Management Board member and the Company in connection with the performance of Management Board duties (hereinafter: the Agreement) is terminated by removal from office for misconduct and/or by termination of the Agreement for misconduct (hereinafter: the Termination), the Management Board member shall transfer to the Company, without consideration, all the shares awarded to such Management Board member during the year in which the Termination occurred.

In all other cases of termination of office and/or the Agreement, the Management Board member shall retain all shares awarded in the year of termination and in the previous years.

c) Pledge over awarded shares

The parent company, KONČAR d.d., and each individual Management Board member shall enter into a separate agreement for each year under the LTSIP. Simultaneously with the conclusion of agreement regarding all the shares and registration of the transfer of shares from the parent company, KONČAR d.d., to the Management Board member, a voluntary pledge over all transferred shares shall be registered in the depository maintained by the Central Depository & Clearing Company (SKDD) in favour of the parent company, KONČAR d.d., as security. The pledge shall remain registered for a period of two years.

By 30 June of each year, the parent company, KONČAR d.d., and the Management Board members shall execute a written Record confirming whether the relevant conditions have been fulfilled. On the basis of such Record, the corresponding portion of the registered pledge over the shares shall be released/deleted.

Section 9 *Performance criteria for payment of Variable Remuneration and Shares*

(1) The performance criteria for the payment of Variable Remuneration and awards under the Long-Term Share-Based Incentive Plan (LTSIP) are intended to support the implementation of the Company's business strategy and its long-term development by promoting actions that are in the Company's best long-term interests and consistent with the duties of each Management Board member. Performance-related targets shall be sufficiently demanding so that only exceptional performance is rewarded, and shall be designed to ensure that Management Board members are not incentivised to take excessive risks that are inconsistent with the Company's business strategy or detrimental to its long-term development.

(2) The methods for determining whether the performance criteria have been satisfied shall be established in the Company's approved annual business plans. The annual business plans shall be approved by the Supervisory Board and must be realistic and aligned with the Company's long-term business strategy and development objectives.

Section 10 *Other remuneration*

(1) In addition to fixed and variable remuneration (Variable Remuneration and the Long-Term Share-Based Incentive Plan), Management Board members shall be entitled to the following benefits:

1) life insurance providing cover in the event of death, survival or disability resulting from an accident or occupational disease;
2) insurance covering additional medical treatment costs and/or medical treatment abroad;
3) supplementary and additional health insurance, including, but not limited to, an annual preventive medical examination;
4) the right to use a company motor vehicle owned or leased by the Company for both business and private purposes on a 24-hour basis (where private use of the vehicle shall constitute salary in kind) in accordance with the Company's decision and acts;
5) reimbursement of business travel expenses incurred at home and abroad, in accordance with the Company's decision and acts; and
6) reimbursement of expenses reasonably incurred in the performance of the duties of a Management Board member.

(2) During the contractual non-compete period, the Company shall pay the Management Board member monthly compensation equal to one-half of the member's gross basic salary. Such compensation represents a gross amount on which the Company shall calculate and pay all applicable taxes, surtaxes and contributions relevant to such payout in accordance with substantive regulations.

Section 11 *Term of the Management Agreement*

(1) The term of the Management Agreement shall correspond to the period for which the Management Board member is appointed, provided that the Company may enter into such Agreement for a term of up to 5 years.

(2) The Agreement shall terminate upon expiry of its term, resignation of the Management Board member, removal from office or upon the Management Board member reaching 65 years of age and completing 15 years of pensionable service.

Section 12 *Notice Period*

(1) The notice period under the Management Agreement shall generally be three months, although the Supervisory Board may adopt a resolution setting a shorter notice period.

(2) During the notice period, the Management Board member shall remain entitled to receive the basic salary.

(3) If the Agreement is terminated due to misconduct by the Management Board member, the Management Board member shall not be entitled to any Variable Remuneration, Shares or severance pay.

Section 13 *Severance Pay*

(1) Upon expiry of the term of office and expiry of the Management Agreement, if the Management Board member is not reappointed and does not accept any alternative position offered by the Company, the Management Board member shall be entitled to severance pay in an amount ranging from 3 (three) to a maximum of 10 (ten) gross monthly basic salaries. The amount of severance pay shall depend on the period during which the individual served as a Management Board member within the KONČAR Group.

(2) Where a Management Board member is removed from office, they shall not be entitled to severance pay, except where the removal is due to permanent illness or incapacity to manage the Company.

(3) If, during the term of the Agreement, the Management Board member reaches 65 years of age and completes 15 years of pensionable service, the Agreement and employment relationship shall terminate, and the Management Board member shall be entitled to severance pay ranging from 3 (three) to a maximum of 10 (ten) gross monthly basic salaries, depending on the period of service within the KONČAR Group.

(4) The amount of severance pay referred to above shall be gross amounts on which the Company shall pay all applicable taxes, contributions and/or any other similar charges relevant to such payment in accordance with substantive regulations.

Section 14 *Conflict of interest*

In order to avoid conflicts of interest, all the agreements with Management Board members shall include the following provisions:

(1) During the term of the Agreement, a Management Board member may serve as a member of supervisory boards, management boards and/or boards of directors, or as a procurator of other companies or bodies of other associations or organisations, or may engage in any other paid or unpaid employment, consultancy or contractual relationship with domestic or foreign legal or natural persons, only with the prior written consent of the Company, provided that the Company determines that such engagement is not contrary to its interests and does not interfere with the proper performance of the Management Board member's regular duties. Such consent shall be granted by the Supervisory Board in accordance with applicable law.

(2) If the Company’s Supervisory Board determines that there is a potential conflict of interest arising from shareholdings and/or membership on the supervisory boards of companies outside the KONČAR Group, the Management Board member and/or his or her spouse or partner equivalent to a spouse according to national regulations and/or his or her children shall be required to transfer the relevant ownership interests to a third party or resign from such supervisory board positions.

(3) The Management Board member undertakes not to engage, without the prior written consent of the Company’s Supervisory Board, either on his or her own behalf or on behalf of any third party, in activities falling within the Company's business scope, nor to use any knowledge, information or business contacts acquired in connection with the duties of the Management Board member for the benefit of any company or institution outside the KONČAR Group, whether as a supervisory board member or based on a service agreement or otherwise.

(4) The Management Board member undertakes that, for a period of 3 (three) months following termination of the Agreement for any reason and departure from the KONČAR Group, he or she shall not: become employed by a competitor of the Company; conduct or enter into competing business on his or her own behalf or on behalf of any third party; use knowledge, information or business contacts acquired under the Agreement for personal benefit or for the benefit of third parties; participate in any manner in the establishment of a company competing directly or indirectly with the Company; nor enter as a consultant into agreements with companies competing with the Company (contractual non-compete obligation).

Section 15 *Determination of remuneration in relation to employee remuneration and working conditions*

(1) In adopting this Remuneration Policy, the Company has taken into account the remuneration and employment conditions of employees with comparable qualifications, knowledge, skills, competencies and experience but with a lower level of responsibility, i.e. the remuneration and working conditions of middle management.

Section 16 *Permitted derogations from the Remuneration Policy*

(1) The Company may temporarily depart from this Remuneration Policy where such departure is necessary to safeguard the Company's long-term interests or where unforeseen circumstances arise that may materially affect the Company's business.

(2) In particular, the Company may temporarily depart from this Remuneration Policy when preparing the Remuneration Report for the year in which this Policy was adopted, if, during the period from 1 January until the adoption of this Policy, Management Board members received remuneration determined on the basis of criteria different from those set out in this Policy.

(3) Any departure from this Remuneration Policy shall be proposed by the Remuneration Committee and approved by the Supervisory Board.

Section 17 *Implementation and monitoring of the Remuneration Policy*

The Remuneration Committee of the Supervisory Board and the Supervisory Board shall oversee the implementation of this Remuneration Policy. The Remuneration Committee shall submit an annual report to the Supervisory Board on its monitoring activities. The

Remuneration Committee shall review and, where significant changes occur, update this Remuneration Policy at least once every three years.

Section 18 *Remuneration for Supervisory Board members*

Members of the Supervisory Board shall receive a monthly fee for the performance of their duties in accordance with the resolution of the Company's General Assembly. Pursuant to the resolution of the General Assembly of Dalekovod d.d. of 30 June 2022, the monthly gross fee amounts to EUR 530.89 (five hundred thirty euros and eighty-nine cents). Each Supervisory Board member shall be entitled to a fixed monthly fee from the date of appointment until the date on which his or her term of office ends. However, Supervisory Board members who are also members of the management board of a company within the KONČAR Group shall not be entitled to receive remuneration for serving on the Supervisory Board. In order to preserve their independence and objectivity, the remuneration of Supervisory Board members shall not be linked to the Company's performance and shall contain no variable component.

Section 19 *Transitional and final provisions*

(1) This Remuneration Policy shall apply from 1 January 2025 until 31 December 2028, subject to approval by the Company's General Assembly.

(2) Under this Remuneration Policy, Management Board members shall be entitled to Variable Remuneration and shares for the entire year of 2025, unless otherwise provided in the Agreement.

(3) Upon adoption of this Remuneration Policy by the Supervisory Board and its approval by the General Assembly, the Remuneration Policy for Management Board members adopted by the Supervisory Board on 12 April 2024 shall cease to have effect.

Chairman of the Supervisory Board:

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Gordan Kolak