On the basis of the Companies Act and Article 26 of the Articles of Association of the company Dalekovod d.d., with its seat in Zagreb, Marijana Čavića, Tax Id. No. (OIB): 47911242222 (hereinafter: the Company), the Company's Supervisory Board (hereinafter: the Supervisory Board), at its meeting held on 27 June 2024, adopts the following

RULES OF PROCEDURE
ON THE WORK OF THE SUPERVISORY BOARD OF THE COMPANY DALEKOVOD D.D.

GENERAL PROVISIONS

Article 1

These Rules of Procedure of the Supervisory Board (hereinafter: the Rules of Procedure) regulate the matters relevant to the constitution, competence, organisation, manner of work and adopting resolutions of the Supervisory Board and the working bodies, committees and boards under the Company's Supervisory Board (hereinafter: the Committee or the Board, as appropriate) as well as the keeping of the business secret.

The provisions of the Rules of Procedure are binding on the chairman of the Supervisory Board (hereinafter: the Chairman), the deputy chairman of the Supervisory Board (hereinafter: the Deputy) and all the members of the Supervisory Board (hereinafter jointly: Members and individually: Member), and the Secretary of the Supervisory Board (hereinafter: the Secretary).

These Rules of Procedure shall be binding on and apply mutatis mutandis to other persons who in any way participate in the work of the Supervisory Board or are present at the meetings of the Supervisory Board (hereinafter: the Meeting).

The provisions of these Rules of Procedure shall be binding on and apply mutatis mutandis also to the chairpersons or other heads of the Boards and/or Committees, their deputies, if appointed, and to all the members of the Boards and/or Committees as well as other persons participating in the work of a certain Board and/or Committee or present at the meetings of the Boards and/or Committees, always under the conditions and in the manner determined by these Rules of Procedure.

CONSTITUTION OF THE SUPERVISORY BOARD

Article 2

The newly elected Supervisory Board shall be constituted within 8 (eight) days from the date of the election. The constitutive meeting shall be convened and chaired by the president of the General Assembly, until the election of the chairman of the Supervisory Board.

Article 3

In the invitation for the constitutive meeting, the president of the General Assembly shall indicate that he is convening a meeting of the Supervisory Board for the purpose of its constitution, determine the place and time of the meeting and warn the members of the Supervisory Board that they are obligated to attend that Meeting.

At the constitutive meeting, the members of the Supervisory Board shall elect the chairman and the deputy chairman of the Supervisory Board.

The decision on the election of the Chairman and the Deputy shall be made by public voting of those members of the Supervisory Board who decide on the election of the Chairman and the Deputy.

Each member of the Supervisory Board who decides on this matter may propose a Chairman and a Deputy, and the voting shall take place in the order in which the candidates are proposed.

If none of the candidates receive the required majority, the nomination and election shall be repeated until the Chairman/Deputy is elected.

The Supervisory Board shall be deemed constituted when the members elect a Chairman among themselves.

After the provisions of the Companies Act regulating the conditions, procedure and manner of electing the Chairman and/or Deputy change or cease to apply, the provisions of the Companies Act (hereinafter: the Companies Act) in force at the relevant time shall apply directly, if the Company's Articles of Association in force at the relevant time do not contain specific appropriate provisions.

Article 4

The Supervisory Board shall not be deemed constituted if the term of office ends of one or more elected Members, but not all the elected members of the Supervisory Board in the former composition.

If, for the purpose of the previous paragraph, the membership in the Supervisory Board has ended for the Chairman of the Supervisory Board, the Deputy shall chair the meeting of the Supervisory Board until the election of the new chairman.

If at the same time the membership in the Supervisory Board ends for both the Chairman and the Deputy, the Meeting shall be managed by the member who is elected by the other members among themselves for this purpose until the election of the new Chairman and/or Deputy. If the other members cannot agree on the election of such member, then the member oldest (by age) shall be elected for this purpose.

If a member of the Supervisory Board elected as Chairman or Deputy of the Supervisory Board ceases to be the Chairman or Deputy of the Supervisory Board yet continues to be a member of the Supervisory Board, then a new Constitutive Meeting shall not be held, but members who vote on this shall elect a new Chairman or Deputy.

RIGHTS AND OBLIGATIONS OF THE MEMBERS OF THE SUPERVISORY BOARD

Article 5

The Chairman represents the Supervisory Board and the Company in relation to the scope of work of the Supervisory Board.

When the Supervisory Board represents the Company toward the Management Board (hereinafter: the Management) or individual members of the Management Board, the duties of representation of the Supervisory Board shall be performed by the Chairman.

The Chairman shall convene Meetings, propose the agenda and proposals for resolutions, manage the meeting and sign the resolutions and Minutes of the Meeting and other acts of the Supervisory Board.

The Deputy shall have the rights and duties of the Chairman when the Chairman is unable to attend a meeting or is absent for a longer period of time, and the Supervisory Board shall resolve matters within the scope laid down by the regulations and the Articles of Association of the Company without delay.

Article 6

The members of the Supervisory Board shall have the right and duty to attend Meetings, submit proposals, discuss and decide on all the items of the agenda, as well as request the convening of the Supervisory Board's meeting when provided for in these Rules of Procedure, the Articles of Association and/or the Companies Act.

Each Member of the Supervisory Board shall attend the meetings of the General Assembly.

The Members of the Supervisory Board shall be entitled to a remuneration or compensation for their work, as determined and reviewed by the Company's General Assembly in accordance with the Companies Act and the Articles of Association.

PRINCIPLES OF OPERATION

Article 7

The Supervisory Board as the body and each member of the Supervisory Board, in performing the duties of the Supervisory Board, shall:

- act in the Company's best interest with the care of a prudent businessman;
- act in accordance with the generally accepted codes, such as the corporate governance code and the like,
- invest efforts to prevent conflict of interest,
- advocate for the procedures that prevent illegal activity,
- keep the Company's business secret pursuant to the Company's regulations and general acts.

The Supervisory Board shall especially be acquainted with the acts of the Company's Management regulating matters referred to in the previous paragraph, especially if the Supervisory Board does not adopt the said act nor give its prior consent to them.

The Company's Management shall enable the Supervisory Board technical, organisational, material and other conditions necessary for the Company's Supervisory Board to regularly perform its duties.

ACTIVITIES OF THE SUPERVISORY BOARD

Article 8

The Supervisory Board, within the framework of its competences and responsibilities laid down by the Articles of Association, the Companies Act and other applicable regulations in force at the relevant moment (hereinafter collectively: the Regulations), shall in particular perform the following activities:

1) supervise the management of the Company's activities and may accordingly request the Company's Management at any time to deliver reports in a certain form and examine and review the business books and the documentation of the Dalekovod Company and Group (hereinafter: the Group), the treasury, securities and other materials, for which purpose the Supervisory Board may use some of its members and/or other experts,
2) the Supervisory Board shall order the auditor to examine the Company's and Group's annual financial statements,
3) inspect whether the Company's activities are being conducted pursuant to the laws, the Company's acts and the decisions of the General Assembly, examine business

results and determine whether the state of the Company's business books duly represents the financial and business situation, and submit to the General Assembly a written report on the supervision performed where they shall especially indicate whether the Company operates pursuant to the law and the Company's acts and the decisions of the General Assembly, whether the annual financial statements are composed in compliance with the Company's business books and whether they represent the Company's actual situation in terms of its property and business operations,

4) as long as the Company's stocks are listed on a regulated market for trading, the Supervisory Board shall decide on giving special prior written consent to the Company's Management for each activity the Company intends to undertake with related parties as determined by the Regulations, if the value of such work independently or together with other activities the Company undertook with the same related party in the last twelve months prior to the undertaking of the activity exceeds 2.5 % of the aggregate of the Group's long-term and current assets as determined in the Company's last consolidated annual financial statements, for as long as the Company is the Group's parent company, using the procedure and in the manner prescribed by the Companies Act,
5) decide on giving consent, at the proposition of the Management, to use the profit or cover losses pursuant to the Articles of Association and the Companies Act,
6) decide on giving consent to the Management for undertaking activities for which it is prescribed by the Companies Act, the Articles of Association, Regulations, these Rules of Procedure or a special resolution of the Supervisory Board that they require the Management to obtain the consent of the Supervisory Board;
7) represent the Company toward the members of the Management, and enter into transactions with the members of the Management, decide on the method of accepting the members of the Management, establish the policy of accepting the members of the Management approved by the General Assembly and, pursuant to the Companies Act and the Regulations, review the earnings of the members of the Management;
8) convene the General Assembly as necessary;
9) perform other duties placed within their authority under the Companies Act, the Articles of Association, the Regulations, these Rules of Procedure and in any other statutory manner.

PREPARING AND CONVENING A MEETING

Article 9

Meetings of the Supervisory Board shall be convened as necessary, at least quarterly. A Meeting of the Supervisory Board shall be prepared and convened by the Chairman of the Supervisory Board.

Each member of the Supervisory Board may submit a proposal for a certain item of the agenda (proposing a new item of the agenda or counterproposal of a decision for an item of the agenda that has already been proposed) of the Meeting. Such proposal is delivered to the Chairman in written form, with a brief explanation and a proposal for a decision.

A proposal of the agenda shall be established by the Chairman based on analysed proposals referred to in the previous paragraphs.

A Meeting of the Supervisory Board shall be held within 15 (fifteen) days from the date of its convening.

Article 10

Each member of the Management or Supervisory Board may, provided they indicate the reason and purpose, request to convene a Meeting of the Supervisory Board, propose the agenda of the Meeting and the resolutions to be adopted.

If the Chairman rejects a reasoned request of a member of the Supervisory Board or a member of the Management to convene a Meeting, or if a Chairman for any reason fails to convene a Meeting within ten working days from the day of such request, the proposing member may call a meeting on their own within a further deadline of five working days, indicating the agenda, the proposals for resolutions and the rapporteurs by individual items of the agenda, if any, and indicating the written material enclosed to the invitation, if any.

Article 11

In principle, Meetings shall be held in the Company's seat.

An invitation to a meeting of the Supervisory Board shall be sent to the members of the Supervisory Board with prior written e-mail notice of at the latest 5 (five) calendar days before the holding of the meeting. As an exception, in case of urgency, a meeting may be convened at a shorter notice.

The invitation to the meeting shall indicate the place and time of the holding of the meeting, a reasoned agenda and enclosed materials with data necessary to adopt resolutions by certain items of the agenda and proposal for resolutions or conclusions.

In case of urgency, a meeting may be convened by e-mail, phone, telegram or fax, at a shorter notice, provided the members of the Supervisory Board make their statements regarding the justification of such convening and their readiness to participate in the work of the meeting before the beginning of a meeting convened in such manner.

Article 12

Materials delivered with the invitation to a Meeting shall contain, whenever possible, explanations of the proposals for resolutions by the items of the agenda of the convened Meeting.

The members of the Supervisory Board may state their opinion on the necessity to omit from the agenda of the Meeting an item that it is not supported with materials containing the required information or for which materials exist but are confusing or unclear, preventing them from making their statement about a proposal for a resolution and/or a proposal of an item of the agenda, if such materials are necessary to understand a proposal for a resolution and/or item of the agenda.

The Company’s Management shall ensure that reports and other materials necessary for work at the Meetings are prepared in a timely manner.

HOLDING MEETINGS

Article 13

All the members of the Supervisory Board and Management shall be called to a meeting of the Supervisory Board, while rapporteurs and consultants may be called for certain matters being decided on.

The Meetings of the Supervisory Board shall be attended by the Secretary who shall take Minutes of the Meeting.

The members of the Supervisory Board may attend meetings of each Committee or Board.

Article 14

A Meeting of the Supervisory Board shall be chaired by the Chairman and, in case of his absence, by his Deputy.

The Chairman shall, before opening the Meeting, establish whether the conditions for holding the Meeting have been met, i.e. whether at least half of the total prescribed number of members of the Supervisory Board is present at the Meeting.

If there is no quorum at a Meeting, the Chairman shall postpone the Meeting and schedule a new one which, as a rule, shall be held not later than within 15 (fifteen) days from the day for when the missed Meeting was originally called.

After it has been established that the conditions for holding a Meeting have been met, the Chairman shall open a discussion on the proposed agenda. The agenda is determined based on the agenda from the invitation to a Meeting and the written proposals of the members of the Management or Supervisory Board delivered ahead as well as based on the amendments to the agenda that may be provided, with an explanation, by each of the members of the Supervisory Board not later than just before the beginning of the Meeting.

In exceptional cases and with the consent of at least half of the members of the Supervisory Board, the Chairman of the Supervisory Board may, at the Meeting itself, propose for certain matters to be included in the agenda of the Meeting.

The Supervisory Board shall first decide on those items included in the invitation to the Meeting, then on the proposed amendments to the items of the published agenda, and after that on the proposals for amendments to the agenda. If no agreement can be made on which items are to be included in the agenda, each specific proposal of a certain item of the agenda shall be voted on separately.

The agenda shall be considered established if it earned the majority of the votes cast at the Meeting of a Supervisory Board.

ORDER OF BUSINESS AT A MEETING

Article 15

After the agenda has been established, specific items of the agenda are discussed based on the rapporteur's opening statement and/or written explanation.

After the opening statement, the Chairman shall open a discussion and invite the members of the Supervisory Board to speak in the order of registration and other attendees depending on the course of the discussion and the need for additional explanations. The topic of the discussion may only be the matter being discussed within the framework of the item of the agenda.

If the discussion results in the conclusion that an item of the agenda has not been prepared well or that a proposal for a resolution is not clear enough, the item may be omitted from the agenda.

If the discussion results in the conclusion that a certain matter was discussed to an extent allowing to adjourn the discussion, and that the Supervisory Board can proceed with deciding on the matter of the agenda, the Chairman shall communicate the proposal for a resolution and invite the members of the Supervisory Board to comment on it.

Resolution shall be adopted based on a proposal delivered ahead of the Meeting or, if a proposal delivered before the Meeting has been amended, a proposal formulated by the Chairman before the vote.

If proposals for the text of the decision are mutually competitive, the proposals of the text of the decision shall be put to vote by the Chairman in the order of their proposing in the material.

ADOPTING RESOLUTIONS

Article 16

Any matters related to the procedure shall be decided on by the Supervisory Board in a conclusion. The Supervisory Board shall decide on main matters by a resolution.

The Company's Supervisory Board shall adopt resolutions by a majority of the votes cast.

Each member of the Supervisory Board is entitled to one vote. If the votes are distributed evenly, the vote of the chairman of the Supervisory Board shall be decisive.

The right to vote on matters within the competence of the Supervisory Board shall only belong to the members of the Supervisory Board who shall decide on the proposal for a resolution by casting their vote "IN FAVOUR" or "AGAINST" the proposal or by abstaining. If a member abstains from voting on a certain matter, that Supervisory Board member's vote shall be deemed not cast.

The members of the Supervisory Board present at the Meeting shall vote publicly by a show of hand.

The absent members may participate in adopting resolutions by casting their vote by phone or in writing (letter, e-mail or fax message) or by using other appropriate technical means.

The Chairman shall adjourn the Meeting after all the matters on the agenda have been discussed.

HOLDING A MEETING BY VIDEO CALL OR TELECONFERENCE

Article 17

If technically feasible, some meetings of the Supervisory Board may also be held by video call or teleconference.

In the case referred to in the previous paragraph of this Article, the Company's Management shall ensure smooth and continuous communication between all the persons attending the Meeting.

If a smooth and continuous communication in accordance with the previous paragraph of this Article cannot be achieved, the Chairman shall discontinue the Meeting and reschedule it to be held within not longer than 15 (fifteen) days, counting from the date of the discontinued Meeting.

In the case from the previous paragraph of this Article, the Meeting may be rescheduled to be held by video call or teleconference, or a Meeting shall be held at a venue agreed on by the members of Supervisory Board.

MEETING MINUTES

Article 18

Minutes shall be kept on the Meeting (hereinafter: the Minutes), composed by the Secretary or another person appointed by the Chairman in case the Secretary is prevented from attending, and signed by the Chairman, that is, his Deputy, if he/she managed the Meeting, and the Secretary.

The Minutes shall contain the following data:

- time and place of holding the Meeting;
- names of the members of the Supervisory Board attending the work of the Meeting;
- names of attendees who are not members of the Supervisory Board;
- names of the members who voted in writing;
- the agenda;
- important content of the conducted discussion;
- resolutions and conclusions by item of the agenda;
- the results of the vote and the details on the voting of individual members of the Supervisory Board;
  time of beginning and end of the Meeting.

Article 19

The Minutes from the previous Meeting shall be verified at the first following Meeting.

At the beginning of a Meeting, each member of the Supervisory Board is entitled to object to the Minutes of the previous Meeting.

A voting shall be held to decide whether the objections are justified. If an objection is accepted, the Minutes shall be amended accordingly.

Subsequent verification of the Minutes shall not delay the implementation of the adopted resolutions.

The Minutes shall be made available for inspection to any member of the Supervisory Board upon their personal request.

The Minutes, together with the attached resolutions, shall be filed and kept as part of the Supervisory Board documentation, maintained by the Secretary in the form of the Supervisory Board’s book of resolutions.

For various implementation purposes, an extract from the Minutes may be prepared covering one or more agenda items and the resolutions adopted under those agenda items.

One copy of the Minutes, together with all accompanying enclosures, the invitation to the Meeting or the written procedure of adopting resolutions, and all supporting materials submitted, shall be retained by the Company as a document of permanent value.

ADOPTING RESOLUTIONS BY CORRESPONDENCE

Article 20

A resolution of the Supervisory Board may also be adopted without the simultaneous physical presence of the members of the Supervisory Board (adopting resolutions by correspondence).

The provisions of these Rules of Procedure relating to the convening and conduct of Supervisory Board meetings shall apply mutatis mutandis to such a process of adopting resolutions.

Article 21

In the case of adopting resolutions by correspondence, the Chairman shall send, by e-mail, to all members of the Supervisory Board the proposed resolution intended to be adopted, drafted in such a manner that the members may vote either "IN FAVOUR" or "AGAINST".

The proposed resolution referred to in the previous paragraph of this Article shall be accompanied by a reasoning.

Each member of the Supervisory Board shall acknowledge receipt of the materials for the Meeting of the Supervisory Board convened in this manner and confirm their agreement with the adopted resolutions.

Article 22

The members of the Supervisory Board shall submit their vote to the Chairman by e-mail within not more than 7 (seven) days from the date of receipt of the proposed resolution referred to in the previous Article of these Rules of Procedure, except where the agenda includes agreeing with the resolutions of the Company's Management, in which case members shall submit their vote to the Chairman by e-mail not later than within 24 (twenty-four) hours from the date of receipt of the proposed resolution referred to in the previous Article of these Rules of Procedure.

Article 23

A resolution shall be deemed adopted by correspondence if it receives the required majority of votes.

AUXILIARY BODIES OF THE SUPERVISORY BOARD

Article 24

The Supervisory Board may establish Boards for the purpose of preparing resolutions to be adopted and monitoring their implementation. The Supervisory Board may also establish Boards whenever it considers this sensible or where required for the resolution of particularly important matters within its scope of authority, in accordance with the Companies Act, the Articles of Association and Regulations, and the generally accepted principles and practices of operation of supervisory boards in companies.

In the case referred to in the previous paragraph, the Supervisory Board shall issue a resolution to establish a Board. In such a resolution, the Supervisory Board shall define such Board's areas of competence, the number and composition of its members, its reporting obligations and other matters relevant to the operation of such auxiliary body. A Board shall not have the authority to adopt resolutions within the competence of the Supervisory Board. Rather, it shall provide advice, conclusions and recommendations proposing that the Supervisory Board adopt resolutions falling within its competence.

In performing its supervisory function over the Company, the Supervisory Board may also establish committees. Committees of the Supervisory Board may be permanent or ad hoc.

The Supervisory Board shall adopt rules of procedure for each Board. If no separate rules of procedure are adopted for a particular Board, the provisions of these Rules of Procedure shall apply mutatis mutandis to the operation of such a Board. The rules of procedure of each Board, where adopted, must be consistent with the provisions of these Rules of Procedure, the Articles of Association, the Companies Act and Regulations. Should any provision of a Board's rules of procedure be inconsistent with these Rules of Procedure, such provision of the Board's rules of procedure shall be deemed void, and the provisions of these Rules of Procedure shall apply directly to the relation it is intended to regulate.

Article 25

The Supervisory Board shall appoint and remove the Chairman and deputy chairman of each Board at its discretion, at any time, with or without cause.

The members of each Board shall be appointed by the Supervisory Board which may determine the duration of their term of office in the resolution on their appointment. Where a member of the Supervisory Board is appointed as a Board member, their membership in the Board shall automatically terminate upon the termination of their mandate as a member of the Supervisory Board, without any further action. Where a person who is not a member of the Supervisory Board is appointed as a Board member, the Supervisory Board may revoke such appointment or remove that person from Board membership at any time, with or without cause.

In addition to Board members, a Board may, by the decision of the Supervisory Board, have associate members who may participate in Board discussions and perform work for the Board, yet without the right to vote in the Board. The provisions of the previous paragraph shall apply mutatis mutandis to associate Board members as well as their rights and obligations.

Board members and other persons participating in the work of a Board may be entitled to remuneration or compensation for their work, subject to the conditions, manner and amount determined in a resolution of the Supervisory Board. Employees of the Company and/or the Group who are appointed Board members or associate Board members shall not be entitled to additional remuneration for their work in the Board.

The Secretary, or in the Secretary's absence another person designated by the Chairman or other head of a particular Board, shall keep the minutes of Board meetings, perform administrative and technical duties for the Board, and maintain technical and professional communication between the Supervisory Board and the Board.

AUDIT BOARD

Article 26

The establishment, operation, authorities and responsibilities of the Audit Board shall be governed by the Audit Act and other applicable regulations.

PROFESSIONAL, ADMINISTRATIVE AND OTHER DUTIES

Article 27

The Secretary shall perform professional and administrative duties for the Supervisory Board, in connection with the work of the Supervisory Board and its Boards. The Supervisory Board may appoint as Secretary a qualified legal professional whose professional experience, knowledge and integrity ensure that they will assist the Supervisory Board with due care and in accordance with the rules of the profession in carrying out their duties pursuant to Article 263(2) of the Companies Act, as well as performing professional and administrative duties for the Supervisory Board and its Boards.

The Secretary shall be appointed and removed by a resolution of the Supervisory Board.

The Secretary may be entitled to remuneration and/or compensation for their work, subject to the conditions, manner and amount determined by a resolution of the Supervisory Board.

Considering the size and organisational structure of the Company and the scope of the Secretary's duties, the Company's Management may decide to enter into an employment agreement with the Secretary.

CONFIDENTIALITY AND KEEPING THE BUSINESS SECRET

Article 28

All the members of the Supervisory Board shall permanently, regardless of the termination of their mandate as member of Supervisory Board, keep confidential all the information disclosed during meetings, all the information concerning the Company and the Group and all decisions and conclusions of the Supervisory Board, except for the information that the Supervisory Board expressly determines not to be confidential.

All the members of the Supervisory Board shall permanently, regardless of the termination of their mandate as member of Supervisory Board, keep confidential all data, facts and circumstances obtained by the Company through its business relationships with third parties that are presented at meetings or provided to Supervisory Board members in writing.

The obligations referred to in paragraphs 1 and 2 of this Article shall apply mutatis mutandis to the Secretary and all other persons participating in the work of the Supervisory Board or any particular Board or who otherwise gain knowledge of the data referred to in paragraphs 1 and 2 of this Article.

Materials prepared for Supervisory Board meetings, discussions held during such meetings and all the resolutions adopted at Supervisory Board meetings shall constitute a business secret where designated as a "business secret".

Information constituting a business secret may be disclosed to third parties only in the manner and in the cases prescribed by the Regulations and the Company's Articles of Association.

FINAL PROVISIONS

Article 29

The Supervisory Board shall adopt resolutions amending these Rules of Procedure. Any member of the Supervisory Board may initiate amendments to these Rules of Procedure by submitting a reasoned proposal.

The Chairperson shall ensure that these Rules of Procedure are consistent with the Articles of Association, the Companies Act and the Regulations. In interpreting these Rules of Procedure, each provision shall be construed in a manner consistent with the principles established by these Rules of Procedure, the Articles of Association, the Companies Act and the Regulations.

Article 30

These Rules of Procedure shall enter into force upon their adoption. Upon the entry into force of these Rules of Procedure, the Rules of Procedure of the Company's Supervisory Board of 27 May 2022 shall cease to have effect.

Predsjednik Nadzornog odbora

Gordan Kolak