

Pursuant to Article 277 of the Companies Law ("Official Gazette" no. 152/11 – cleared text, 111/12, 68/13, 110/15, 40/19, 34/22, 114/22 and 18/23), and the Resolution on convocation of the General Assembly of PODRAVKA Inc., Management Board of PODRAVKA Inc. announces this

## **INVITATION**

### **TO THE GENERAL ASSEMBLY OF PODRAVKA Inc.**

**I. General Assembly of PODRAVKA Inc., headquartered in Koprivnica, A. Starčevića 32 (hereinafter: Company) will be held in Koprivnica, on 17<sup>th</sup> May 2023 (Wednesday), at 12 a.m. in the conference hall in the groundfloor of Company headquarters in Koprivnica, A. Starčevića 32 Street.**

**II.** For this General Assembly it is hereby determined and published the following Agenda:

1. Opening of the General Assembly, determination of present and represented shareholders and their proxies;
2. Annual financial reports for the Company and Annual consolidated financial reports for Podravka Group for the year 2022 together with authorized auditor's reports and the Annual Report by the Company Management Board on the status of the Company and its related companies in 2022, and the Report of the Company Supervisory Board on performed supervision over the Company managing business in 2022;
3. Passing a Resolution on the Company profit distribution for the year 2022;
4. Passing a Resolution on discharging the Company Management Board members for the year 2022;
5. Passing a Resolution on discharging the Company Supervisory Board members for the year 2022;
6. Passing a Resolution on approving of the Remuneration Report of the Supervisory Board's members as well as the Management Board's members in the year 2022 ;
7. Passing a Resolution on alignment of Company equity and shares through an increase in Company equity;
8. Passing a Resolution on changes and amendments of the Articles 6, 13 and 14 of the Company Articles of Association;
9. Passing a Resolution on election of the members of the Company's Supervisory Board;
10. Passing a Resolution on appointing the Company auditors for the business year 2023 and determination of their respective fees.

**III.** The Company share capital has been divided to 7,120,003 regular shares, of individual nominal amount of HRK 220.00, registered at the computer system of the Central Depository & Clearing Company under the ticker PODR-R-A. Each regular share provides one vote at the General Assembly. All shareholders of PODRAVKA Inc. are entitled to attend and vote at the General Assembly (1 share = 1 vote), who have been entered into the computer system kept by the Central Depository & Clearing Company six days before the General Assembly is being held, i.e. on 10<sup>th</sup> May 2023 as the last day to apply to participate in the work of the General Assembly, and who have by that day – i.e. by 10<sup>th</sup> May 2023 provided notice of attendance and intention on participating in work of this Assembly to the Company as determined in this Invitation.

IV. Shareholders may attend and vote at the General Assembly in person or through a proxy. Authorizations for participation and exercising the right to vote at the General Assembly are provided in written form.

Shareholders may be represented by proxies under the condition they have valid powers of attorney issued by shareholders, or in behalf of shareholders being legal entities, and by persons authorized for representation pursuant to provisions in Article 28 of the Company's Articles of Association.

V. To be valid, notice of attendance must contain, and be accompanied with:

a) shareholders – natural persons:

- name and surname, residence, PIN, account no. at CDCC and total number of shares (no. of votes at the General Assembly).

b) shareholders – legal entities:

- company, legal entity name, headquarters and residence, PIN, account no. at CDCC and total number of shares (no. of votes at the General Assembly).

- photocopy of an excerpt from court or any other register of authorized persons for representation of that legal entity in the current year,

- proxy's power of attorney for representation of legal entity (if legal entity is not represented by a person authorized for representation pursuant to legal provisions).

c) proxies of shareholders – natural persons:

- name and surname, residence and proxy PIN;

- list of shareholders they represent, for each of them no. of account opened at the CDCC and the total number of shares (number of votes at the General Assembly) of all the represented shareholders;

- attached to the application are all individual powers of attorney on the recommended form.

d) proxies of shareholders – natural persons:

- company, i.e. name of the legal entity, headquarters and address and PIN of the proxy;

- list of shareholders they represent, for each of them no. of account opened at the CDCC and the total number of shares (number of votes at the General Assembly) of all the represented shareholders;

- attached to this application are individual powers of attorney in written form, and if the shareholder is a legal entity, attached is the photocopy of the excerpt from the court register or some other register from the current year in which this legal entity is registered, certified transcript or other public document showing that the power of attorney was signed by the person lawfully authorised to represent that legal entity.

VI. Application for participation at the General Assembly and the power of attorney, along with all the attachments have to be in Croatian language, and if they are in foreign language they need to be attached with a translation to Croatian language by the registered court interpreter.

Shareholders, representatives and proxies of shareholders who fail to meet obligations to give proper notice of attendance at the General Assembly pursuant to this Invitation, shall not be entitled to attend and make decisions at the General Assembly of the Company.

VII. Pursuant to provision in Article 28, item 4 of the Company Articles of Association, shareholders, their proxies and representatives shall bear expenses of their attendance at the General Assembly.

VIII. At the Company web-site [www.podravka.com](http://www.podravka.com), as of the day this Invitation to the General Assembly is published, the following forms are available: application for participation at the General Assembly, recommended form of the power of attorney, recommended form of the recall of the existing power of attorney, the Report of the Company Supervisory Board on performed supervision over the Company business in 2022 and other information and material proscribed by the Article 280.a of the Companies Act.

IX. This invitation and draft resolutions which are being proposed to the General Assembly by the Company Supervisory and Management Boards will be published on the register web-site of Commercial Court in Bjelovar, HINA and web-site of the Zagreb Stock Exchange ([www.zse.hr](http://www.zse.hr)), HANFA ([www.hanfa.hr](http://www.hanfa.hr)) and the Company ([www.podravka.com](http://www.podravka.com)). All the relevant data and documents related to the agenda of the Company General Assembly will be available to the shareholders at the Company headquarters, at the headquarters helpdesk, working days from 10 to 14, and at the Company web-site as of the day this invitation is publicly announced.

X. Shareholders jointly having shares amounting to 5% of the Company share capital, can request in writing that a subject be placed on the Agenda of the General Assembly. The request in question, along with its explanation and proposed Resolution, the Company needs to receive at least 30 days prior to holding of the General Assembly, or on 17<sup>th</sup> April 2023 at the latest.

Stating their name and last name, each shareholder has been authorized to submit a counter-proposal and an explanation to the proposed resolutions of the Management and Supervisory Boards, referring to the items on the agenda and deliver it to the Company's address at least 14 days prior the General Assembly is being held, or on 3<sup>rd</sup> May 2023 at the latest. Missing this deadline does not have a repercussion in losing the right to place the counter-proposal at the General Assembly.

It is the obligation of the Management Board to provide an explanation to shareholders questions at the General Assembly on business operations of the Company, if such explanation is necessary for resolving issues on the Agenda.

XI. Participants in the General Assembly are kindly invited to arrive to the reception desk of the Company at least one hour earlier than the specified time of the General Assembly for the purpose of registration and delivery of materials for participation at the General Assembly.

The public is excluded from the work of the General Assembly.

XII. If a quorum is not present at the General Assembly called for the 17<sup>th</sup> May 2023, as provided in Article 29 of the Company Articles of Association, the next General Assembly will be held on 23<sup>rd</sup> May 2023 at 12 a.m. at the same venue and with the same agenda. This General Assembly will be held and valid resolutions will be passed regardless of the number of present and represented shareholders.

## **DRAFT RESOLUTIONS**

Ad 2) Annual financial statements of PODRAVKA Inc. and Annual consolidated financial statements by Podravka Group for the business year 2022 with reports by authorized auditors based on Article 300 d of the Companies Law have been verified by the Company Management and Supervisory Boards and they are not subject to voting. The stated financial statements have been published at the Zagreb Stock Exchange, HANFA, HINA and Company web site ([www.podravka.com](http://www.podravka.com)).

The Report of the Company Supervisory Board on performed supervision over the Company managing business in 2022 has been published at the Zagreb Stock Exchange, HANFA, HINA Company web site and there can be a discussion under this item, but the General Assembly makes no resolutions.

**Ad 3) Passing a Resolution on the Company profit distribution for the year 2022:**

I

It is determined that net profit of PODRAVKA Inc., M.B. 03454088, OIB 18928523252 (hereinafter: the Company) for the year 2022 stated in the audited annual financial statements of the Company, amounts to HRK 198,078,794.46 (26,289,573.89 EUR).

II

The net profit of the Company for year 2022 from article I of this Decision shall be allocated as follows:

- legal reserves in the amount of 1,314,478.69 EUR (9,903,939.69 HRK),
- other reserves in the amount of 6,107,087.25 EUR (46,013,848.89 HRK).

III

It is approved that dividend to shareholders of the Company, owners of ordinary shares under the ticker PODR-R-A, shall be paid out in the gross amount of 2,65 EUR (19,97 HRK) per share.

Dividend shall be paid out to all shareholders that are registered as shareholders at the Central Depository & Clearing Company Inc. on June 16<sup>th</sup> 2023 (record date).

Date on which securities of the Company will be traded without dividend payment right is June 15<sup>th</sup> 2023 (ex date).

Dividend payment claim will be due on July 14<sup>th</sup> 2023 (payment date).

The total maximum amount of dividend amounts to EUR 18,868,007.95 (HRK 142,161,005.90). Paid amount of dividend will depend on the number of shares belonging to registered shareholders at the Central Depository&Clearing Company Inc. (reduced for dividend on treasury shares).

IV

After the net profit of the Company has been allocated in accordance with article II and III of this Decision, the remaining part of net profit shall be retained in retained earnings.

**Ad 4) Passing a Resolution on discharging the Company Management Board members for the year 2022:**

Discharge is given to the members of the Company Management Board in respect of their duties carried out in managing the Company in the year 2022.

**Ad 5) Passing a Resolution on discharging the Company Supervisory Board members for the year 2022:**

Discharge is given to the members of the Company Supervisory Board by which their duties and supervision over managing Company business in the year 2022 have been approved.

**Ad 6) Passing a Resolution on approving the Remuneration Report of the Company Supervisory and Management Board members in the year 2022:**

The Remuneration Report of the Company Supervisory and Management Board members in the year 2022 is approved, which is attached to this Decision and makes its integral part.

**Ad 7) Passing a Resolution on alignment of Company equity and shares through an increase in Company equity;**

1. It is established that the Company equity totals HRK 1,566,400,660.00; when calculated at the fixed currency exchange rate of HRK 7.53450 to the euro and rounded to the nearest cent, in accordance with the rules for calculation and rounding as governed by the Act on Introduction to the Euro as the Official Currency in the Republic of Croatia, this is EUR 207,897,094.70 and is paid in full.

2. The Company equity is divided into 7,120,003 ordinary registered shares, each of a nominal value of HRK 220.00; when calculated at the fixed currency exchange rate of HRK 7.53450 to the euro and rounded to the nearest cent, in accordance with the rules for calculation and rounding as governed by the Act on Introduction to the Euro as the Official Currency in the Republic of Croatia, this is EUR 29.20 per share.
3. For the purpose of aligning the equity with the Companies Act, due to the introduction of the Euro as the official currency in the Republic of Croatia, the Company equity is increased at the expense of capital reserves from the amount of EUR 207,897,094.70 by the amount of EUR 5,702,995.30 to the amount of EUR 213,600,090.00. The number of company shares does not change.
4. After calculation into the Euro and alignment with the legal provisions, the Company equity totals EUR 213,600,090.00 and is divided into 7,120,003 ordinary registered shares, each with a nominal value of EUR 30.00.

**Ad 8) Passing a Resolution on changes and amendments of the Articles 6, 13 and 14 of the Company Articles of Association:**

I

The Articles of Association of PODRAVKA Inc. (hereinafter: Articles of Association) is changing and amending as follows:

Article 1

Amending Article 6 of the Articles of Association named „Scope of activities“ the Company shall perform besides the aforementioned activities as follows:

- ❖ Electric energy production and transfer.

Article 13 of the Articles of Association named “Amount of share capital” is in item 1 changed as follows:

- 1) The share capital of the Company amounts to EUR EUR 213.600.090,00 (two hundred and thirteen million six hundred thousand and ninety euros).

Article 14 of the Articles of Association named „Number, nominal value and type of shares” is in item 1 changed as follows:

- 1) The share capital of the Company is divided into 7,120,003 (seven million one hundred and twenty thousand and three) ordinary registered shares of the nominal value of EUR 30,00 (thirty euros) each.

II

Other provisions of the Articles of Association remained completely unchanged.

III

This Resolution on changes and amendments to the Articles of Association will entry into effect and is applied as of the day it is entered in the register of Commercial court in Bjelovar.

IV

The Supervisory Board is authorised to establish the purified text of the Articles of Association in compliance with this Resolution.

**Ad 9) Passing a Resolution on election members of the Company Supervisory Board:**

I

It is hereby determined that for the Supervisory Board president of PODRAVKA Inc. Mr. Želimir Vukina from Zagreb, Nova Ves 9, PIN: 29600917751, his membership at PODRAVKA Inc. Supervisory Board is terminated by his resignation with effect as of 1<sup>st</sup> November 2022.

II

It is determined that on 30<sup>th</sup> June, 2023 term of office of the Supervisory Board members of PODRAVKA Inc. expires as follows:

1. Marina Dabić, PhD, Zagreb, Zvonigradska ulica 26, PIN: 74095156482 and
2. Tomislav Kitonić, M. Econ, Bojana, Bojana 2, PIN: 33272109066.

III

Members elected to PODRAVKA Inc. Supervisory Board are:

1. Darko Prpić, mag. oec., Zagreb, Radnička cesta 34A, PIN: 15621535691 i
2. Damir Čukman, mag. oec., Zagreb, Zelenjak 37, PIN: 70742915118.

IV

Supervisory Board members of PODRAVKA Inc. stated under item III of this Resolution is elected to a 4-year term, as of 1<sup>st</sup> July 2023.

**Ad 10) Passing a Resolution on appointing the Company auditors for the business year 2023 and determination of their respective fees:**

I In accordance with the recommendation and commitment submitted by the Podravka Inc. Audit Committee, the financial statements of the parent company PODRAVKA Food Processing Industry Inc. and of its affiliated companies, along with consolidated financial statements of the PODRAVKA Group for the business year 2023 shall be audited by the authorised auditor companies:

**ERNST & YOUNG Ltd.**

headquartered in Zagreb, Radnička Street 50

and

**GRANT THORNTON audit Ltd.**

headquartered in Zagreb, Grada Vukovar Street 284

II Podravka Inc. Management Board is authorized to enter in appropriate agreements on audit services with the Auditing Companies from previous item in which will be determined remuneration for their work.

PODRAVKA Inc.  
Koprivnica

**PODRAVKA D.D.**

**SUPERVISORY BOARD AND  
REMUNERATION REPORT FOR 2022**

**MANAGEMENT BOARD**

## Independent limited assurance report on Remuneration Report for the year 2022

To the Management board and Supervisory board of Podravka d.d.

We have been engaged by the Management board of Podravka d.d. ("the Company"), in order to perform, on the basis of the provisions of Article 272r, paragraph 3 of the Companies Act, an engagement expressing a limited assurance on the attached Remuneration Report for the year ended 31 December 2022 ("Remuneration Report") prepared by the Company's Management board and Supervisory board.

Our task, based on the procedures performed and the evidence gathered, is to express a conclusion in the form of an independent report expressing a limited assurance on the examination of the Remuneration Report.

### *Underlying Subject Matter and Applicable Criteria*

The limited assurance engagement relates to the following subject matter on which the following applicable criteria are applied:

- Remuneration Report prepared by the Company for the year ended 31 December 2022 contains data in accordance with the Article 272r, paragraphs 1 and 2 of the Companies Act.

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

### *Management board and Supervisory board Responsibilities*

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

- preparing the Remuneration Report for the year 2022 in accordance with the disclosure requirements of Article 272r, paragraphs 1 and 2 of the Companies Act,
- identifying the individuals to be included in the Remuneration Report in accordance with Article 272r, paragraph 1 of the Companies Act,
- selecting and applying appropriate remuneration policies as well as making judgments and estimates that are reasonable in relation to the data disclosed in the Remuneration Report,
- measurement of remunerations for the year ended 31 December 2022 in accordance with the provisions of Article 272r, paragraphs 1 and 2 of the Companies Act, and
- publishing the Remuneration Report on the Company's website in accordance with the provisions of Article 272r, paragraph 4 of the Companies Act.

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



### ***Our Responsibilities***

We conducted our assurance engagement in accordance with the requirements of Article 272r, paragraph 3 of the Companies Act, and in accordance with International Standards for Assurance Engagements (ISAE) 3000 (revised) - Engagements to perform assurance engagements other than audits or reviews of historical financial information. These regulations require that we comply with ethical standards and plan and perform our assurance engagement to form a conclusion based on the evidence gathered as to whether the report contains the information required in accordance with the relevant legal requirements.

We apply the International Standard on Quality Management (ISQM) 1, quality management for firms that perform audits or reviews of financial statements, or other assurance or related services engagements, and accordingly maintain a comprehensive quality control system, including documented policies and procedures regarding ethical compliance requirements, professional standards, and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the IESBA Code of Ethics for Professional Accountants, which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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

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

- inquired members of the Management board and Supervisory board and other persons within the Company, to gain understanding of remuneration policies and the process applied in preparing the Remuneration Report;
- received from the Company a list of all members of the Company's Management board and Supervisory board during 2022 and checked whether their remunerations are disclosed in the Remuneration Report;
- reconciled the remuneration data presented in the Remuneration Report with the Company's accounting records (general ledger and subledgers) for the year ended 31 December 2022
- reviewed, on a sample basis, the relevant documentation of the Company (contracts and payments) related to the remuneration data presented in the Remuneration Report; and
- checked whether the Remuneration Report contains all the data required by the provisions of Article 272r, paragraphs 1 and 2 of the Companies Act.

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

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

### ***Limited assurance conclusion***

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that Remuneration Report for the year ended 2022 prepared by Podravka d.d. does not contain data, in all material respects, in accordance with the Article 272r, paragraphs 1 and 2 of the Companies Act.

***Restrictions on the use of our Report***

Our report is intended solely for the Management board and Supervisory board for the purpose of reporting to the General Assembly on the Remuneration Report prepared by the Company for the year ended 31 December 2022 in accordance with Article 272r of the Companies Act. Our report is not, nor does it represent, a legal opinion on compliance with Article 272r of the Companies Act.

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

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



Berislav Horvat  
President of the Management board and certified auditor

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

4 April 2023

**Attachment**

1. Management board and Supervisory board Remuneration Report for 2022



In accordance with Article 272r of the Companies Act and the provisions of the Corporate Governance Code of the Zagreb Stock Exchange and HANFA, the Management Board and the Supervisory Board of PODRAVKA Inc. (hereinafter referred to as the "Company") submit to the General Assembly of the Company the following

## **SUPERVISORY BOARD AND MANAGEMENT BOARD REMUNERATION REPORT FOR 2022**

### **1. Introduction**

PODRAVKA Inc. was registered in 1993 as a joint-stock company. The Company's shares have been listed on the Prime Market of the Zagreb Stock Exchange.

The bodies of PODRAVKA Inc. are the Management Board, the Supervisory Board and the General Assembly, as determined by the Company's Articles of Association.

In accordance with the provisions of the Articles of Association, the Management Board consists of three to six members appointed by the Supervisory Board. The Management Board is appointed for a period determined by the Supervisory Board, but for a maximum of five years with the possibility of reappointment.

In accordance with the provisions of the Articles of Association, the Supervisory Board of the Company has nine members, eight of whom are elected by the shareholders at the General Assembly, while one member of the Supervisory Board is appointed by the Workers' Council of the Company. Members of the Supervisory Board are elected for a term of four years.

The reward system for the Supervisory Board and the Management Board of PODRAVKA Inc. is determined by the internal acts of the Company in accordance with the Remuneration Policy adopted by the General Assembly on 14 June 2022 (hereinafter: the Remuneration Policy) in accordance with which receipts were paid to members of the Management Board and Supervisory Board in 2022.

The last Supervisory Board and the Management Board remuneration report for 2021 was approved by the General Assembly on 14 June 2022.

This Report is presented in Croatian Kuna (HRK) except where otherwise stated.

### **2. Remuneration of the members of the Supervisory Board**

The Supervisory Board of PODRAVKA Inc. as of 31 December 2022 has eight members.

During 2022, from 1 January to 31 December 2022, members of the Supervisory Board were as follows:

- Damir Grbavac, President of the Supervisory Board from 1 November 2022, Member from 1 July 2022,
- Želimir Vukina, President of the Supervisory Board until 31 October 2022,
- Luka Buričević, Vice-President of the Supervisory Board,
- Marina Dabić, member,
- Damir Felak, member from 8 September 2022,
- Ksenija Horvat, member,
- Tomislav Kitonić, member,
- Petar Miladin, member,
- Krunoslav Vitelj, member
- Ivan Ostojić, member until 30 June 2022,
- Dajana Milodanović, member until 7 September 2022,

Each member of the Supervisory Board is entitled to a fixed monthly gross compensation from the date of their election or appointment to the Supervisory Board until the date their status of a member ceases. The Supervisory Board remuneration does not depend on the Company's results and does not contain a variable part of the remuneration. Members of the Supervisory Board are not entitled to remuneration for membership in committees of the Supervisory Board.



Members of the Supervisory Board have received remuneration for their work and are entitled to remuneration that is appropriate to the scope of their engagement and the tasks they perform, as well as the position and results of the Company's operations.

Pursuant to the Remuneration Policy and the Decision of the Company's General Assembly, the remuneration of the members of the Supervisory Board is determined according to the position they hold in the Supervisory Board in relation to the average gross salary of the Podravka Group employees paid in the previous month.

Pursuant to the Decision of the General Assembly, the remuneration of the member of the Audit Committee is determined in relation to the average gross salary of employees in the Podravka Group companies in the Republic of Croatia in the previous month.

Thus, the members of the Supervisory Board are entitled to a monthly compensation in the amount of 2 (two) average monthly gross salaries paid to employees of the Podravka Group in the previous month. This remuneration is increased for the President of the Supervisory Board by 50%, and for the Vice-President of the Supervisory Board by 30%.

Members of the Supervisory Board are also entitled to reimbursement of expenses and costs incurred in performing the tasks of the Supervisory Board, in accordance with the regulations applicable to employees of the Company.

Members of the Supervisory Board are not entitled to severance pay, additional payments by the Company or its related parties, or the allocation of the Company's shares.

The member of the Audit Committee is entitled to a monthly compensation in the amount of 1 (one) average gross monthly salary of employees in the Podravka Group companies in the Republic of Croatia in the previous month.

Consequently, in 2022, the members of the Supervisory Board were paid remuneration in the following gross amounts:

<b>Name and surname</b>	<b>Position</b>	<b>Gross remuneration of Supervisory Board members in 2022 in HRK</b>
Damir Grbavac	President of SB from 1 November 2022, member from 1 July 2022	134,199
Želimir Vukina	President of SB until 31 October 2022	307,268
Luka Burilović	Vice-President of SB	315,835
Marina Dabić	Member of SB	242,950
Ksenija Horvat	Member of SB	242,950
Tomislav Kitonić	Member of SB	242,950
Petar Miladin	Member of SB	242,950
Krunoslav Vitelj	Member of SB	242,950
Damir Felak	Member of SB from 8 September 2022	72,561
Dajana Milodanović	Member of SB until 7 September 2022	165,751
Ivan Ostojić	Member of SB until 30 June 2022	127,804

In 2022 Ivana Matovina, President of the Audit Committee received remuneration on the basis of membership in the Audit Committee in gross amount of HRK 121,475.



Remuneration in the following gross amounts was paid to a current member of the Supervisory Board for membership in the Supervisory Board of a subsidiary and to a former member of the Supervisory Board for membership in the Supervisory Board of a subsidiary:

Name and surname	Position	Gross remuneration of Supervisory Board members in 2022 in HRK
Petar Miladin *	Member of SB	34,904
Petar Vlaić **	Former member of SB	100,284

*\* Member of the Supervisory Board of Podravka Inc., Petar Miladin is also a member of the Supervisory Board of the subsidiary Belupo Inc. Koprivnica; the total gross receipts from remuneration in both Supervisory Boards amount to HRK 277,854.*

*\*\*Member of the Supervisory Board of the subsidiary Žito d.o.o., Ljubljana*

Apart from the above, the Company or its related parties have not made any other payments.

### 3. Remuneration of the members of the Management Board

The Management Board of PODRAVKA Inc. has five members.

During 2022, from 1 January to 31 December 2022, the members of the Management Board were as follows:

- Martina Dalić, President of the Management Board,
- Davor Doko, member,
- Marko Đerek, member until 23 February 2022
- Hrvoje Kolarić, member until 23 February 2022
- Ljiljana Šapina, member,
- Milan Tadić, member from 24 February 2022,
- Ivan Ostojić, member from 1 July 2022.

The Management Board remunerations are intended to attract and retain quality experts who will achieve the set strategic goals of the Company through balancing the interests of shareholders and other key stakeholders. The activities of the Management Board members must be aimed at achieving those strategic goals which improve the Company and protect and ensure its long-term sustainable value.

The total remuneration of the members of the Management Board is created in such a way as to ensure competitiveness and encourage the attraction and interest in the position of a member of the Management Board of the appropriate high-quality profile of experts with the necessary abilities, skills and experience.

Accordingly, the total remuneration of the members of the Management Board is in correlation to the duties of the members of the Management Board in the Company: the implementation of strategic goals that improve and maintain the operations of both the Company itself and its affiliated companies and the creation of sustainable long-term value.

Accomplishments of the short-term and long-term business plan are monitored and rewarded through the achieved result of business and development of the Company and its affiliated companies.

The structure of Management Board members remuneration is determined by the Performance agreement and the employment contract and forms a balance between variable and fixed remuneration, where the fixed part is determined in gross amount, while the variable part of remuneration is related to performance.





For 2021, KPIs are largely based (weight in the total bonus of 80%) on the realized net profit of the Podravka Group, with key performance indicators for the President of the Management Board and the member of the Management Board for finance being determined according to the realization of the Podravka Group's planned net profit. For other members of the Management Board they are determined according to the realization of the planned net profit of the Podravka Group in 40% and the planned net profit of the Strategic business unit (SBU) Food and the planned net profit of the SBU Pharmaceuticals in 60%. In the second part (weight in the total bonus of 20%) KPIs are based on individual achievements of the President and members of the Management Board according to the Supervisory Board assessment.

In 2022, the members of the Management Board were paid the following gross amounts:

Name and surname	Annual gross salary / remuneration in HRK	%	Amount of paid gross bonus for 2021 in HRK	%	Other gross receipts * in HRK	%	Total gross in HRK	%
Martina Dalić	1,126,337	50%	972,000	43%	151,431	7%	2,249,768	100%
Davor Doko	980,955	56%	641,700	37%	120,046	7%	1,742,701	100%
Ljiljana Šapina	935,139	57%	606,050	37%	108,889	6%	1,650,078	100%
Milan Tadić	777,750	87%	0	0%	111,692	13%	889,442	100%
Ivan Ostojić	400,000	79%	0	0%	108,666	21%	508,666	100%
Hrvoje Kolarić **	700,913	29%	677,450	29%	1,003,919	42%	2,382,282	100%
Marko Đerek ***	203,205	24%	606,050	71%	44,156	5%	853,411	100%

\* other gross receipts refer to the use of a company car, health insurance premiums, voluntary pension insurance premiums, life insurance premiums, meals, etc.

\*\* Podravka Inc. did not pay compensation for membership in the Management Board of Podravka Inc. to a member of the Management Board who was employed in another company of the Podravka Group; the member received remuneration from this subsidiary. On 31 December 2022 is a former member of the Management Board of Podravka Inc. due to the regular expiration of the mandate on February 23, 2022 and the amount of severance pay is shown in the position Other gross receipts in HRK.

\*\*\* As at 31 December 2022 he is a former member of the Company's Management Board due to regular expiration of the mandate and the information refers to the period of holding the position of a member of the Management Board of Podravka Inc. From 24 February 2022 he is a member of the Management Board of the subsidiary Belupo Inc. Koprivnica and receives remuneration from that subsidiary since that date

The new term of office of the president and members of the Management Board began on February 24, 2022. The remuneration of the members of the Management Board consists of fixed remuneration, variable remuneration (annual bonus and long-term share allocation program) and other. The new contracts on performance of duties and employment contracts canceled the right of the president and members of the Management Board to grant option shares that were not related to business results, and the right to grant shares which depends on achieved long-term business indicators related to EBITDA, net profit of the Podravka Group, dividend per share and earnings per share was introduced. In case the criteria for the payment of the annual bonus for the business year is met in such a way that at least 100% of the set performance indicators are met, the members of the Management Board have the right to participate in the Long-Term Share Allocation Program. The total number of shares to which members of the Management Board are entitled for a particular business year is determined by multiplying the number of salaries by the amount of salary and then dividing by the Company's share price. Company's share price is calculated as the average price achieved on the Zagreb Stock Exchange during 6 months preceding the day of the Supervisory Board's decision on the total number of shares to which the Management Board member is entitled.



The Supervisory Board determines the number of shares of the Company to which the members of the Management Board are entitled for the business year in a way that 50% of the total number of shares is reduced by the number of shares whose market value on the day of allocation corresponds to the value of taxes prescribed by law. The right to award the remaining 50% of shares will depend on fulfilment of long-term business indicators (weight 80%) and the discretionary decision of the Supervisory Board (weight 20%) which will be determined by the Supervisory Board in 2025 and 2027. A reduction will be applied to the allocation of the remaining 50% of shares for the number of shares whose market value corresponds to the value of taxes prescribed by law. In case of partial fulfilment of the goals, the members of the Management Board have the right to an aliquot part of the remaining 50% of shares, in accordance with the decision of the Supervisory Board. Given that the criterion for the payment of the annual bonus for 2022 has been met, the members of the Management Board have the right to participate in the Long-term share allocation program.

Furthermore, the new contracts of the members of the Management Board changed the criteria for awarding the annual bonus. The annual bonus is based on the achievement of set indicators of Podravka Group Business Plan or SBU Food and the decision of the Supervisory Board, whereby the set business indicators contribute to the basis for calculating the annual bonus with 80%, and the decision of the Company's Supervisory Board with 20%.

The basis for calculating the annual bonus of the president and member of the Management Board for finance is the percentage of achievement of set business indicators of Podravka Group, namely EBITDA with 60% and net profit with 40%. For the remaining members of the Management Board, the basis for the calculation is percentage of achievement of set business indicators of SBU Food, EBITDA with 60% and net profit with 40%.

With regard to the achieved results for the business year 2022, the members of the Management Board were entitled to a variable part of the compensation (gross bonus for the year 2022) as follows:

Name and surname	Amount of gross bonus for 2022 in EUR
Martina Dalić	156,082
Davor Doko	112,814
Ljiljana Šapina	84,943
Milan Tadić	90,252
Ivan Ostojić *	42,471

*\* Member of the Management Board, Mr. Ivan Ostojić has the right to a proportional part of the variable compensation for the year 2022 since his mandate began on July 1, 2022*



With regard to the achieved business results, the members of the Management Board were entitled to allocation of shares for 2022 as follows:

Name and surname	The year for which the right to allocate shares is related	50 % of the number of allocated shares *	Market value of shares in EUR**	Value of shares belonging to a Member of the Management Board in EUR ***
Martina Dalić	2022	760	70,566	53,946
Davor Doko	2022	527	48,932	37,419
Milan Tadić	2022	527	48,932	39,183
Ljiljana Šapina	2022	496	46,054	36,861
Ivan Ostojić ****	2022	248	23,027	17,549

\* Without reduction for the number of shares corresponding to the value of taxes prescribed by law, calculated on the basis of the average share price for the last 6 months ending on April 3, 2023.

\*\* The market value of the allocated shares was calculated as a product of 50% of the number of allocated shares and the average share price from the Zagreb Stock Exchange on April 3, 2023 of EUR 92.85 (699.58 HRK).

\*\*\* The value of the shares belonging to the Member of the Management Board was calculated as the product of 50% of the number of shares allocated reduced for taxes and the average share price from the Zagreb Stock Exchange on April 3, 2023 of EUR 92.85 (699.58 HRK).

\*\*\*\* Considering that the mandate of the member of the Management Board, Mr. Ivan Ostojić, began on July 1, 2022 the right to allocate a proportionate number of shares is applied

Members of the Management Board have been entitled to options from previous years to purchase shares that have not yet been fully realized.

The price of a share which the members of the Management Board have the option to purchase is determined as the weighted average price of the Company's share on the Zagreb Stock Exchange in the year to which the share option relates.

During 2022, members of the Management Board of PODRAVKA Inc. exercised the options as follows:

Name and surname	Year of allocation	Number of exercised options	Gross amount of receipt in HRK *
Davor Doko	2017	5,000	1,424,725
Milan Tadić	2017 and 2018	4,000	1,228,325
Marko Đerek	2017 and 2018	12,500	3,404,675
Hrvoje Kolarić **	2017, 2018, 2019 and 2020	27,500	5,456,722

\* Refers to the difference between market and option price with taxes included

\*\* On 31 December 2022 is a former member of the Management Board who was employed in another Podravka Group company and received gross receipts based on the exercise of options from that subsidiary

Apart from the above, the Company or its related parties have not made any other payments to members of the Management Board.

The Company and its related parties have not provided any loans or advances to and do not issue guarantees for the members of the Management Board.

The Company and its related parties have not given any gifts or benefits of significant value to the members of the Management Board.

#### 4. Remuneration of former members of the Management Board

During 2022, the heiress of the former president of the Management Board exercised the options and received a gross receipt in the amount of HRK 2,771,049.





## 5. Comparative overview of movements in total revenues, profit and employee receipts

The overview below shows the average receipts of employees of PODRAVKA Inc. in gross amount which includes the fixed and variable parts of salary, other benefits in kind and all other payments made in connection with the employee status, divided by full time equivalents (FTEs) of the observed periods.

Other benefits in kind include meals, accommodation, supplementary health insurance premiums, benefits in kind /Easter bonus, etc.

Other payments include severance pay, reimbursement of costs for transportation to and from work, cash bonuses for results and other forms of additional rewards, occasional bonuses, voluntary pension insurance premiums, bonuses to employees for years of service, gifts for children, supports for continuous sick leave of more than 90 days, one-off supports in the event of the death of a member of the employee's immediate family, supports for newborn children, supports for living apart from the family, etc.

In the comparative overview of movements in the last five years, the total revenues and net profit of the Company are stated according to what was realized in a particular year, while the average receipts are stated according to what was paid in a certain calendar year.

Year	Total revenues of PODRAVKA Inc. in HRK thousand	Net profit of PODRAVKA Inc. in HRK thousand	Average annual gross receipts per employee in HRK
2018	1,977,205	113,141	114,149
2019	2,148,856	145,189	118,074
2020	2,187,936	193,832	121,063
2021	2,285,051	245,104	124,742
2022 *	2,494,862	198,079	136,674

\* the average gross receipt per employee incorporates the monthly payments of net non-taxable receipts, which are paid based on the Income Tax Regulations and for which the net amount of payments is equal to the gross amount

## 6. Additional information

The Company did not request a refund of variable part of the salary from members of the Management Board of PODRAVKA Inc.

There are no payments or liabilities payable by a third party to the members of the Management Board, in connection with the tasks they performed as members of the Management Board in the Company or any other function within Podravka Group.

The Management Board remuneration report for 2022 has been prepared in accordance with the relevant legal provisions, the Corporate Governance Code of the Zagreb Stock Exchange and HANFA and the Articles of Association of PODRAVKA Inc.

In Koprivnica, 4 April 2023

President of the Supervisory Board

  
Damir Grbavac

President of the Management Board

  
Martina Dalić, PhD