

Pursuant of the provisions of the Corporate Governance Code of Croatian Financial Services Supervisory Agency and Zagreb Stock Exchange joint stock company and that Chapter 1, Articles 3, 4 and 5, Chapter 2, Article 10, Chapter 3, Articles 13, 15 and 16, Chapter 4, Articles 33, 36 and 39, Chapter 5 Article 49 and Chapter 10 Articles 86 and 87, the company Valamar Riviera d.d publishes:

## **EXCERPT FROM THE MANAGEMENT BOARD RULES OF PROCEDURE OF 06/12/2022**

### **a) Article 3, Paragraphs 4 and 5**

Management Board members are obliged to report to the Supervisory Board during regular Supervisory Board sessions on operating business results, financial status, certain financial or non-financial risks and the results of shareholder and other stakeholder interactions.

The Management Board President is obliged to inform the Supervisory Board without delay if a certain event that may significantly influence the results and financial positions or reputation of the Company has occurred or is likely to occur.

### **b) Article 10**

Once a year, as a rule during the establishment of the yearly financial reports, the Management Board reviews its own performance as well as the performance of the Management Board President and member, and submits its conclusions to the Supervisory Board.

## **EXCERPT FROM THE SUPERVISORY BOARD RULES OF PROCEDURE OF 24/10/2023**

### **a) Article 2, Paragraphs 2 and 3**

The Supervisory Board and its boards have the right of daily access to the Company's business premises, as well as senior management and employees, and business documentation.

The Management Board is obliged to provide access to business premises, employees and business documentation of the Company without delay at the request of the President and/or Deputy Chairman of the Supervisory Board and/or the Chairman of the Board/Committee of the Supervisory Board.

### **b) Article 3**

The members of the Supervisory Board are obliged to inform the Office of the Management Board - the Head of the Legal Affairs Department - about their membership in the Management Board or the Supervisory Board of other companies, as well as about their own shares over 5% in other companies which in the meaning of relevant regulations can be considered associated persons regarding the Company in legal affairs.

Records are kept on the memberships from the previous paragraph.

### **c) Article 11, Paragraph 3**

The head of the legal affairs department in the management board's office is the person responsible for acting in accordance with the procedures of the supervisory board, advises the supervisory board on issues within the competence of the supervisory board and assists the supervisory board and its committees to function effectively. The Director of Internal Audit performs these tasks for the needs of the Audit Committee.

### **d) Article 12, Paragraph 2**

The Supervisory Board may also appoint experts or advisors from outside the Company to perform certain tasks if it deems it necessary for the successful performance of its function. In this case, the chairman of the supervisory board or deputy chairman of the supervisory board informs the management board of the appointed expert or advisor with a brief description of the purpose of engagement and the cost of the service.

### **e) Article 13**

The Supervisory Board Presidium has the following scope of work:

1. Remuneration and rewarding including: preparation and proposing remuneration policies for the management and supervisory board; proposing the annual bonus of members of the Management Board in accordance with the achieved results of the Company and personal results according to the acts of the Company; supervising the entire amount and structure of remuneration of senior management and employees of the Company and giving recommendations to the Management Board on its remuneration policies in relation to senior management and relations/negotiations with social partners (trade unions represented in the Company); supervise the preparation of the prescribed annual report on remuneration;
2. Human resources including overseeing management policies in the selection and appointment of senior management
3. Business strategy including annual business plan (budget)
4. Nomination of candidates for members of the supervisory board and members of the management board, including examination of the required profiles, professional competencies, age, experience, independence and other necessary characteristics of candidates and monitoring the availability of information on candidates on the Company's website in accordance with corporate governance standards
5. Proposing conditions for the appointment and management of the Company with potentially new members of the management board, including the expected time required to perform their function
6. Preparation of a succession plan for re-nomination or replacement of members of the supervisory board and the management board
7. Review and analysis of legal acts which the Company intends to conclude as part of the approved investment (CAPEX) in the single value exceeding the amount of EUR 4,000,000.00 (four million EUR) for the purpose of evaluation on the need to obtain consent from the Supervisory Board.
8. Review and analysis of legal acts (agreements, collective agreements) that the Company intends to conclude with trade unions if the value of the workers' material rights exceeds the amount provided by the Business Plan (Budget), for the purpose of evaluation on the need to obtain consent from the Supervisory Board.

9. Other issues for the preparation of decisions of the supervisory board and supervision of their implementation.

The Supervisory Board Presidium is, by its scope of work, the nomination committee and the remuneration committee in terms of the provisions of the relevant regulations and recommendations/standards of corporate governance.

The Supervisory Board Presidium may work in its full composition or individually, if it is authorized by other members of the Presidium. As a rule, the Supervisory Board Presidium meets once a month with the Management Board of the Company, and if necessary with senior management, and other members of the Supervisory Board may be invited to these meetings when necessary.

#### **f) Article 14**

The Audit Committee has the following scope of work:

1. Reports to the supervisory board on the statutory audit and explains how the statutory audit has contributed to the integrity of financial reporting and explains the role of the audit committee in this process
2. Monitors the financial reporting process and provides recommendations or suggestions to ensure its integrity
3. Monitors the effectiveness of the internal quality control system and risk management system and internal audit, without violating its independence
4. Monitors the performance of legal audits of annual financial reports and annual consolidated financial reports
5. Supervises the implementation of measures determined as a result of external and internal audit and its own supervision
6. Examines and monitors the independence of the audit company, and in particular the suitability of providing non-audit services in accordance with relevant regulations
7. It is responsible for the selection process of the audit company and proposes its appointment in accordance with the relevant regulations
8. It considers an additional report submitted to it by the audit company in accordance with the relevant regulations
9. Supervises the application of procedures for reporting violations of laws or internal standards, rules and procedures of the Company
10. Performs other tasks to prepare decisions of the Supervisory Board in relation to all types of audits.

The Audit Committee must hold its meetings at least twice a year.

#### **g) Article 17**

Once a year, the Supervisory Board evaluates its effectiveness and composition, as well as the effectiveness and composition of its committees/boards and the individual results of its members. The Chairman of the Supervisory Board or the Deputy Chairman leads the evaluation.

The evaluation is conducted in accordance with corporate governance standards and is included in the annual report of the supervisory board.

**h) Article 19, Paragraph 2 and 3**

With prior notice to the president of the management board, the president of the supervisory board is authorized to organize meetings with external stakeholders if it is in the interest of the Company. Exceptionally, with the prior consent of the chairman of the supervisory board, such meetings may be organized by the deputy chairman or an individual member of the supervisory board.

By way of derogation from the previous paragraph, the Audit Committee is authorized to organize meetings with the external auditor if necessary in accordance with its tasks and functions, while the supervisory board and each of its committees are authorized to meet with experts or advisors appointed by the supervisory board within the meaning of Article 12 of these Rules.

The excerpts from the Management Board Rules of Procedure and the Supervisory Board Rules of Procedure are identical to the original as confirmed by:

Vlatka Kocijan, Legal Affairs Department Manager