Ericsson Nikola Tesla d.d.

In accordance with Article 247.a and in connection with Article 276a, paragraph 1 of the Companies Act, the Supervisory Board of Ericsson Nikola Tesla d.d. proposes to the General Meeting to be held in Zagreb, November 14, 2025, the approval of the following:

Remuneration Policy for the Members of the Management Board

Introduction

This Remuneration policy for the members of Management Board is based on the principle of attracting, motivating, and retaining highly qualified professionals, with the aim of promoting good and effective management. Its purpose is to support, reward, and acknowledge the accomplishments of the members of the Management Board and their contribution to the Company's success.

The policy aims to ensure balanced, sustainable, and transparent remunerations that strongly foster the culture of performance related payment and implementation of the business strategy and the Company's long-term development. In doing so, relevant regional, local, and global business practices regarding remunerations for high-ranking staff in positions of management were taken into consideration, because the Company wants to ensure attractive employment conditions whose important elements, in addition to remunerations, include personal development and training, work environment and intellectually stimulating environment. Accordingly, the Policy contributes to achieving the Company's strategic goals and guidelines.

For the purpose of this policy implementation, the Company conducts a system for the evaluation of jobs, which reflects the contribution to results and the Company's success in general. The reward system is reviewed at least once a year to initiate necessary adjustments and maintain competitiveness in the labor market.

Remuneration elements

The members of the Management Board receive a monthly payment (i.e. salary and/or payment under managerial contract), i.e., an annual target renumeration and additional benefits of the position, among other things, in the form of bonuses and other types of incentives. The total remuneration of the members of the Management Board consists of a fixed component (contractual payment and/or salary) and a variable component (short-term incentive STI, long-term incentive plan LTI, spot bonus, allocation of own treasury shares).

Annual target remuneration

Annual target remuneration includes the contract payment and/or salary and the STI component of compensation for achieving the annual business targets at the Commitment level. The share of the STI component in the annual targeted remuneration for the members of the Management Board is defined by the Supervisory Board and included in individual contract. Other elements of compensation and other non-monetary rewards and services can be determined in individual contracts. The annual target remuneration is assessed once a year and, if necessary, an increase is made under the condition that there is headroom in the budget secured for this purpose.

Basic annual contract payment

The amount of basic (contract) payment is determined based on responsibility level, complexity of assignments, complexity and size of organization, diversity of business segments and technologies involved, considering companies in the labor market, relevant in terms of core business, size, and complexity. The basic monthly contract payment is agreed in individual employment contracts and/or managerial contracts.

Short term incentive plan

The Management Board's members' goals are defined in line with strategic determinants of the future business development, and the Company's business goals, approved by the Supervisory Board for a certain year. Short term incentive plan is used to reward the achievement of the Company's targets, mainly financial ones, and optional non-financial goals (e.g. ESG), over the course of one year.

The level of achievement at the commitment level for short-term incentive within the framework of the annual target remuneration for the members of the Management Board is determined by the Supervisory Board. The level of achievement at the commitment level for the members of the Management Board for the award for all employees of the Company is defined by the Supervisory Board and included in individual contract.

The Supervisory Board approves the Company's annual goals based on the approved Business Plan. Following the approval of annual financial reports, total performance is evaluated as the basis of calculation.

Spot bonus

The variable part of the remuneration of the members of the Management Board, according to the decision of the Supervisory Board, can include an individual award for exceptional achievements in the form of a one-time payment or in the form of on-time-allocation of treasury shares.

In the case of allocation of treasury shares, the members of the Management Board are obliged to keep the shares for at least 2 years from the date of their allocation (trading shares prohibition period).

Long term incentive plan

The long-term incentive plan is a remuneration component aimed at long-term maintenance of motivation, engagement and rewarding of key employees who contribute to sustainable success and increasing the value of the Company. It is based on the conditional allocation of the treasury shares after the expiration of a certain period defined by the program for long term targets (usually two to five years), and depending on the satisfaction of certain conditions and business success criteria set during that same period.

The criteria for participation in the Long-Term Incentive Plan for members of the Management Board is exclusively within the domain of the Supervisory Board, and the payment upon achievement of the goals is through the allocation of shares according to the internal act of the Company.

The members of the Management Board are obliged to keep the shares for at least 2 years from the date of their allocation (trading shares prohibition period).

Additional benefits of the job position

In addition to the above components, compensation includes other additional benefits defined by internal company acts. Additional benefits are non-monetary benefits and services provided by the Company as well as receipts in kind, e.g., company car, meals in the Company's premises, medical check-up for the members of the Management Board, various education, etc.

Individual contracts with members of the Management Board

The contract with the members of the Management Board defines the rules and obligations, monthly contract payment or salary and other benefits of the job position.

The obligation to give severance pay arises in the event of terminating a contract by the Company due to business/personal reasons or retirement. The obligation to provide severance pay does not exist if the contract is terminated due to misconduct by the member of the Management Board, such as but not limited to violation of the Code of Business Ethics or unlawful conduct by the member of the Management Board.

In case a contract is terminated by the Company due to personal/business reasons with a simultaneous termination of employment (if the member of the Management Board is also the employee of the Company), the Company is obliged to pay the member of the Management Board severance pay as defined in the Labor Act and/or potentially in individual contract with such member. In any case, the amount of severance pay may not exceed either: (i) the amount of 60% of the average monthly gross salary paid over the 3 months preceding the termination of the employment relationship for every year of service with the Company, or (ii) 18 average monthly contractual gross salaries paid over the 3 months preceding the termination of employment, whichever is more favorable for the member of the Management Board.

In the case of retirement, severance pay is given in the amount defined in the company Collective Agreement and/or potentially in individual contract with the member of the Management Board. In

any case, the amount of severance pay in case of retirement of the member of the Management Board, cannot exceed the amount of 18 average monthly contractual gross salaries paid over the 3 months preceding the termination of employment.

Individual contracts may include additional benefits of the job position as well: company car, schooling or education programs, payment into a pension fund, etc.

In the case of changes in circumstances and the situation in the Company that would significantly affect the ability to meet contractual rights and obligations, the contractual terms may be further adjusted to the new situation, which is appropriately defined by an annex to the existing contract or if more appropriate new contract.

To avoid the conflict of interest and protect the Company's legitimate interest, the contracts contain/refer to additional provisions:

a) obligation of professional secrecy: The member of the Management Board is obliged to protect business secrets of the Company during and permanently after termination of employment, regardless of the reasons for termination of employment, whereby the obligation of professional secrecy includes business secrets of affiliated companies as well.

b) non-compete clause: As provided in Company Act, the member of the Management Board may not during his mandate in Management Board, without the prior written consent of the Supervisory Board, for its own or someone else's account, enter into activities from the Company, which in any way competes with the activities and operations of the Company, except in cases when member of the Management Board is obliged to do so by the Supervisory Board or another competent body of the Company.

Moreover, they may not be a founder or a co-owner of a company or an organization or a member of the management board or a supervisory board of a company which in any way competes with the Company's activities and business, except in companies and organizations in which the Company is a shareholder, owner, or co-owner.

The members of the Management Board bear all material responsibility for the damage suffered by the Company due to the violation of these provisions.

Upon termination, former members of the Management Board may not be employed by another person who is in market competition with the Company for a period of minimum one year and maximum 2 years (period and compensation defined in accordance with Labor Act and/or the individual employment contract or managerial contract), also may not enter transactions with the Company for their own account or for the account of a third party.

In case the member of the Management Board violates the provision on the contractual prohibition of competition, he/she is obliged to pay the Company all the damage suffered by the Company because of that and return all payments received on that basis, as it is regulated in Labor Act.

The contract may be terminated in accordance with legal provisions.

The members of the Management Board are not entitled to compensation when taking over membership in Supervisory Boards and similar positions / functions in companies in which the Company directly or indirectly owns its share or in associations to which the Company belongs.

A position in a management board, a supervisory board, a board of directors or a similar management, advisory and supervisory body in another entity or association, is permitted only if it is approved in advance by ETK Supervisory board. Member of ETK Management board may not hold more than two positions in a management board or a supervisory board in companies outside ENT Group.

The highest amount of the remuneration for Management Board

The maximum annual target remuneration for the members of the Management Board consists of the basic payment and the variable component of the remuneration and can amount to a maximum of 160% of the basic (contractual) payment.

In addition, according to the decision of the Supervisory Board, the members of the Management Board may have an additional right to an individual spot bonus for exceptional achievements in the form of a one-time payment in the maximum annual amount of 2 monthly contractual salaries or in the form of one-time-allocation of Treasury Shares in the maximum amount of 250 shares.

In addition, according to the decision of the Supervisory Board, the members of the Management Board may have an additional right to participate in the Long-Term Incentive Plan through which they can be allocated Treasury Shares in the maximum amount of 40% of the annual contractual payment, according to the value of the share at the time of award.

In addition, the members of the Management Board are entitled to benefits and services provided by the Company as well as receipts in kind, e.g., company car, meals in the company, medical check-up for the Management Board, various education, etc. in a maximum amount of EUR 20,000 per year.

The General Assembly may, at the request of shareholders who together have shares equal to at least one-twentieth of the company's share capital, decide to reduce the maximum amount of the Management Board's members' remuneration.

Withholding or returning of the remuneration

The Supervisory Board can decide that the member of the Management Board will not be paid a variable part of the remuneration to which the right has been exercised, or that the member of the Management Board is obliged to return a variable part of the remuneration in the following cases:

- serious breaches of duty or actions to the damage of the Company.

- actions that led to significant negative business results or losses.

In a case of a change in market conditions, the Supervisory Board may propose to the General Meeting a change in policy in accordance with applicable regulations.

This Policy shall enter into force on the day of the approval of the General Meeting and shall apply until a different decision of the General Meeting.

Stefan Kötz
Chairman of the Supervisory Board