

In Biograd na Moru, dated 26th February 2021

**THE CROATIAN FINANCIAL
SERVICES SUPERVISORY AGENCY
MIRAMARSKA 24B
10 000 Zagreb**

**Zagrebačka burza d.d. /Zagreb Stock Exchange plc./
Ivana Lučića 2a
10 000 Zagreb**

**HINA
Marulićev trg 16
10 000 Zagreb**

COMPANY'S WEBSITE

ISIN:HRILRARA0009

SECURITIES: ILRA-R-A

LEI: 74780000V0GH8Q3K5K76

PRINCIPAL MEMBER STATE: Croatia

QUOTATION: Službeno tržište Zagrebačke burze d.d. /Official Market of the Zagreb Stock Exchange plc./

Subject: Invitation to the General Assembly Meeting of Ilirija d.d.;

In accordance with the provisions of the Capital Market Act and the Zagreb Stock Exchange Rules, Ilirija d.d. Biograd na Moru, Tina Ujevića 7, OIB: 05951496767, (hereinafter referred to as: the Company) hereby announces the Invitation to the General Assembly Meeting of the Company that will be held on 30th April 2021, beginning at 09:30 CET.

Invitation to the General Assembly Meeting of the Company with agenda and proposed decisions is attached to this announcement.

Yours sincerely

ILIRIJA d.d.
Management Board:
Goran Ražnjević



**ILIRIJA dioničko društvo
za ugostiteljstvo i turizam
Biograd na Moru 2**

According to Article 277 of the Companies' Act ("Official Gazette" Number 152/11-consolidated text, 111/12, 68/13, 110/15 and 40/19) and Article 7 of the Articles of Association of ILIRIJA d.d., Biograd na Moru (hereinafter referred to as: Company), the Management Board has convened

**ORDINARY GENERAL ASSEMBLY
OF THE JOINT STOCK COMPANY ILIRIJA BIOGRAD NA MORU
on 30th April 2021 at 09:30 hours
in the registered office of the Company, Biograd na moru Tina Ujevića 7.**

The following agenda has been determined for the General Meeting

AGENDA

1. Opening of the General Meeting, determining the number of shareholders present or their proxies and the establishment of the quorum;
2. The following reports are taken note of:
 - 2.1. Annual report of the Company for the year 2020 consists of:
 - Annual financial statements of the Company for the year 2020 (non-consolidated) – statement of financial position (balance sheet), profit and loss account, comprehensive income statement, statement of cash flow, statement of changes in equity and notes to the financial statements,
 - Statement of applying the Corporate Governance Code;
 - Management Representation Letter / Annual Management's report on the position in the Company;
 - Statements made by responsible persons of the Company.
 - Reports by the Company's auditor for the year 2020;
 - 2.2. Report by the Company's Supervisory Board on performed supervision of conducting the Company's business in the year 2020,
 - 2.3. Management Board's Report on acquisition of equity shares in 2020,
3. Decision on use of profit of Ilirija d.d. for the fiscal year 2020;
4. Giving remuneration to the Company's Management Board for the fiscal year 2020;
5. Giving remuneration to the members of the Supervisory Board for for the fiscal year 2020
6. Decision on the election of one member of the Supervisory Board;
7. Decision on granting the approval to the Report on Remuneration for the year 2020;

DRAFT DECISIONS

According to the provision of Article 280, paragraph 3 of the Companies' Act (Official Gazette No.: 152/11-consolidated text 111/12, 68/13, 110/15 and 40/19) the Management Board and Supervisory Board of the Company propose that the General Assembly should take the following decisions:

Ad. 2; The Reports referred to in item 2. of Agenda has been taken note of.

Ad.3. According to the provision of Article 220 and 275, paragraph 1, section 2 of the Companies' Act (Official Gazette Number 152/11-consolidated text, 111/12, 68/13, 110/15 and 40/19) and Article 7 of the Articles of Association of ILIRIJA d.d., at the proposal of the Management Board and Supervisory Board of the Company, at the meeting held on 30th April 2021, the General Assembly of the Company takes the

DECISION on use of profit of Ilirija d.d. for the fiscal year 2020

Article 1

The profit generated in the fiscal year 2020 after the taxation in the amount of HRK 1.021.879,54 is allocated to retained profit;

Article 2

This Decision comes into force immediately on the date of taking it.

President
of the General Assembly

Ad.4. According to the provision of Article 275, paragraph 1, section 4 and Article 276, paragraph 1, of the Companies' Act (Official Gazette, No. 152/11- consolidated text, 111/12, 68/13, 110/15 and 40/19), upon proposal of the Management Board and Supervisory Board of the Company, at the meeting held on 30th April 2021, the General Assembly of the Company takes the

DECISION on giving remuneration to the Company's Management Board for the fiscal year 2020

Article 1

The remuneration is given to the Goran Ražnjević, the only member of the Management Board of the Company.

Article 2

By giving remuneration, the General Assembly approves the work of the Management Board on managing the business operations of the Company in the year 2020.

Article 3

This Decision comes into force immediately on the date of taking it.

President
of the General Assembly

Ad. 5. According to the provision of Article 275, paragraph 1, section 4 and Article 276, paragraph 1, of the Companies' Act (Official Gazette, No. 152/11- consolidated text, 111/12, 68/13, 110/15 and 40/19), upon proposal of the Management Board and Supervisory Board of the Company, at the meeting held on 30th April 2021, the General Assembly of the Company takes the

DECISION
on giving remuneration to the Supervisory Board of the Company
for the fiscal year 2020

Article 1

Remuneration is given to the Supervisory Board of ILIRIJA d.d., namely to the following persons:

Goran Medić, President of the Supervisory Board of the Company;
David Tudorović, Deputy President of the Supervisory Board;
Davor Tudorović, Member of the Supervisory Board of the Company;
Darko Prebežec, Member of the Supervisory Board of the Company;
Siniša Petrović, Member of the Supervisory Board of the Company.

Article 2

By giving the remuneration, the General Assembly approves of the work of the Supervisory Board for the supervision of the Company's operations for the year 2020.

Article 3

This Decision comes into force immediately on the date of taking it.

President
of the General Assembly



Ad.6. According to the provisions of Article 275, paragraph 1, section 1 and Article 280, paragraph 3 of the Companies' Act (Official Gazette, No. 152/11-consolidated text, 111/12, 68/13 and 110/15) and Article 7 of the Articles of Association of ILIRIJA d.d., at the proposal of the Supervisory Board of the Company, the General Assembly of the Company did at the session held on 30th April, 2021 take the

DECISION on the election of one member of the Supervisory Board

Article 1

It is determined that the term of office for Mr. Goran Medić, the member of the Supervisory Board of the Company, expires on 21st June, 2021. The below-named person is re-elected as a member of the Supervisory Board of Ilirija d.d.:

- Goran Medić from Zadar, Ive Senjanina 12 c, Tax No. OIB:54770742757 ;

Article 2

The term of office of the member of the Supervisory Board referred to in Article 1 of this Decision shall start running on 21st June 2021 and lasts for 4 (four) years, with a possibility of re-election.

Article 3

The issues not governed by this decision shall be accordingly subject to the regulations of the applicable laws and the Company's Articles of Association.

Article 4

This Decision comes into force on the date of taking it.

Article 5

The Company's Management Board shall be responsible for taking all actions required to enter this decision into the court register of the Commercial Court in Zadar.

President
of the General Assembly

Ad. 7. According to the provisions of Article 275, paragraph 1, section 3 of the Companies' Act (Official Gazette, No. 152/11-consolidated text, 111/12, 68/13, 110/15 and 40/19) at the proposal of the Management Board and the Supervisory Board of the Company, the General Assembly of the Company did at the session held on 30th April, 2021 take the:

DECISION on granting the approval to the Report on Remuneration for the year 2020

Article 1

The Report on Remuneration for the year 2020 is approved along with the Independent Auditor's Report publicized as an attachment to the call for the General Assembly session and constitutes an integral part of this Decision.



Ilirija d.d.
BIOGRAD NA MORU

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Article 2

This Decision comes into force on the date of taking it.

President
of the General Assembly



CALL AND INSTRUCTIONS FOR SHAREHOLDERS FOR PARTICIPATION IN THE GENERAL MEETING

(hereinafter referred to as: Call, that is, Instructions)

- 1.) The entitlement to participation in the work of the General Meeting and exercising voting right (one share = one vote) is vested in each Company's shareholder, that notifies the Company about its participation in writing no later than six days prior to holding the General Meeting, that is, no later than 23rd April 2021. The Company's shareholder is considered to be a legal and natural person that is as the shareholder registered with the Depository of the Central Clearing Depository Company Inc. (SKDD) on the last day for registration for the participation in the work of the General Meeting, that is, on 23rd April 2021.
- 2.) The shareholders participate at the General Meeting in person or are represented by their proxies on the basis of a written power of attorney duly authenticated by a notary public.
- 3.) The application (in order to be valid) must include, and also must be accompanied by the following:
 - a) Shareholders – natural persons:
 - first name and family name, place of residence, Tax No. OIB, number of account in SKDD and total number of shares
 - b) Shareholders – legal persons:
 - company or name of a legal person, registered seat, Tax No. OIB, number of account in SKDD and total number of shares;
 - a copy of the excerpt from the court or any other registry on registration of persons authorized for representation of the legal person in the current year;
 - power of attorney for representation by a proxy of a legal person if the legal person is not represented by a person authorized for representation according to the legal provisions
 - c) Proxies of shareholders – natural persons:
 - first name and family name, place of residence (address) and proxy's tax number OIB;
 - list of shareholders represented by him, for each of them the number of account opened in SKDD and total number of shares of all represented shareholders are to be indicated;
 - the application is to be accompanied by all individual powers of attorney of shareholders on prescribed form.
 - d) Proxies of shareholders – legal persons:
 - company name or name of a legal person, registered seat and address and proxy's tax no. OIB;
 - list of shareholders represented by him, for each of them the number of account opened in SKDD and total number of shares of all represented shareholders are to be indicated;
 - the application is to be accompanied by individual powers of attorney of shareholders in written form, and if a shareholder is a legal person, the application is to be accompanied by an excerpt from court registry or any other registry with which the legal person is registered, or its copy, certified copy or any other public document which shows that the power of attorney has been signed by a person that is legally authorized to represent this legal person.

It is recommended that the form of application for participation in the General Meeting and powers of attorney should be used.

The application forms can be obtained in the registered office of the Company and they are also available on the website of the Company www.ilirijabiograd.com


- 4.) The application for participation in the General Meeting and the powers of attorney and all attachments must be in the Croatian language, but if they are in a foreign language, they should be accompanied by a Croatian translation to be produced by a qualified court interpreter.

Shareholders, representatives and proxies of shareholders who do not fulfill their obligation of submitting a proper notice of participation in the work of the General Meeting in accordance with this call, shall not have the right to participate and to vote at the General Meeting of the Company.

- 5.) The applications for participation in the General Meeting shall be submitted directly to the Company at its headquarters in Biograd na Moru, Tina Ujevića 7 or are to be sent to the Company by registered mail to the address: Ilirija d.d., Tina Ujevića 7, 23210 Biograd na Moru;
- 6.) Applications for participation at the General Meeting shall be considered timely submitted if they have been submitted or sent by ordinary mail at the post office to the Company no later than by 24:00 hours on 23rd April 2021 according to these Instructions. The shareholders that failed to report their participation at the General Meeting properly in accordance with these Instructions or who failed to attach the relevant documents to the application form according to these Instructions shall not be entitled to participate in the General Meeting.
- 7.) For underage natural persons and persons without legal capacity or with limited legal capacity the application form is to be submitted by and such a person is represented by a legal representative who has to attach the original or a copy or certified copy of the document to the application form that shows his status of a legal representative.
- 8.) This Decision and draft decisions that are proposed to the General Assembly by the Management Board and the Supervisory Board shall be published on the website of the Court Registry, Zagreb Stock Exchange, HINA (The Croatian News Agency) and Ilirija d.d. and shall be submitted to HANFA (Croatian Financial Services Supervisory Agency).
- 9.) The shareholders who together hold shares in the amount of the twentieth part of the share capital of the Company may request in a written form that an item be placed on the agenda of the General Assembly. Such a request, together with an explanation and a draft decision must be received by the Company no later than 30 days before the date when the General Meeting is held, or on the closing date 30th March 2021. The failure to observe the deadline results in non-valid disclosure of the proposed agenda items and they cannot be properly decided upon at the General Meeting.
- 10.) Each shareholder shall by stating his name and surname be authorized to submit his counterproposal supported by an explanation to the draft decision by the Management Board and the Supervisory Board by the agenda items and deliver it to the Company at least 14 days before the General Meeting is held or on the closing date 15th April 2021 to the address of the Company Tina Ujevića 7, 23210 Biograd na Moru. Failing to observe this deadline shall not result in deprivation of the right to submit the counterproposal at the General Meeting.
- 11.) The Management Board shall at the General Meeting give every shareholder at his request, information about the affairs of the Company, if it is necessary to make judgment of the issues on the agenda.
- 12.) All materials relating to the agenda of the General Assembly will be available to the shareholders at the Company's headquarters every working day from 11.00 to 12.00 hours from the day of publication of this Decision.
- 13.) Participants are invited to come to the Management Board's Office of the Company one hour before the scheduled commencement of the General Meeting, in order to make the registration of the participants and deliver materials for participation in the work of the General Meeting in proper time. Voting at the General Meeting is done electronically.

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

ILIRIJA d.d.
Biograd na Moru



ILIRIJA dioničko društvo
posredništvo i turizam
Biograd na Moru



Ilirija d.d.
BIOGRAD NA MORU

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**REPORT ON REMUNERATION RECEIVED BY MEMBERS OF THE SUPERVISORY BOARD AND
MANAGEMENT BOARD FOR THE YEAR 2020 WITH AUDITOR'S REPORT**



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According to Article 272.r of the Companies' Act and articles of Corporate Governance Code of the Zagreb Stock Exchange and HANFA (The Croatian Financial Services Supervisory Agency), The Management Board and The Supervisory Board of ILIRIJA d.d. (hereinafter referred to as „Company“) submit the below Report to the General Assembly

REPORT ON REMUNERATION RECEIVED BY MEMBERS OF THE SUPERVISORY BOARD AND MANAGEMENT BOARD FOR THE YEAR 2020

Remuneration received by Members of the Supervisory Board

The Supervisory Board of the Company was constituted on 22nd December, 1995 and has five (5) members elected for a term of 4 (four) years. The Members of the Supervisory Board as of 31st December, 2020 were: Goran Medić (President) a term of office pending since 21st June 2017, David Anthony Tudorović (Deputy President), Davor Tudorović, Siniša Petrović and Darko Prebežac – terms of office pending since 18th December 2017.

The Members of the Supervisory Board are entitled to a fixed monthly remuneration for their work from the day of their appointment to this position until the day of dismissal from this position. Remuneration for the work of the members of the Supervisory Board of Ilirija d.d. were approved by the decisions of the General Assembly of the Company as of 20th November, 2017 in the way as follows:

- Members of the Supervisory Board Mr. Siniša Petrović and Mr. Darko Prebežac receive a remuneration in the amount of HRK 6,500.00 net;
- Other members of the Supervisory Board receive a fee in the amount of HRK 4,000.00 net;

The Member of the Supervisory Board Mr. Darko Prebežac is in addition to the remuneration for work in the Supervisory Board also entitled to a monthly fee for the work in the Audit Committee as a Audit Committee member of the company in the amount of HRK 2,500.00 net.

The Company incurs travel expenses, accommodation and other costs associated with the presence of members of the Supervisory Board at meetings of the Supervisory Board, meetings of commissions and committees established by the Supervisory Board which has the same members and at the General Assembly of the Company.

The Members of the Supervisory Board who are also employees of the Company (Goran Medić, David Tudorović, Davor Tudorović) are entitled to remuneration in accordance with the Employment Contract, which includes a fixed base salary and a variable part of the salary that depends on the accomplishment of the defined business goals.

In determining the model of remunerating the members of the Supervisory Board, the practices of the local and regional companies in the tourism sector and other relevant factors such as economic conditions, business operations and position of the Company, duration of their engagement and work performed for the Company were taken into account.



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Consequently, in 2020, the members of the Supervisory Board were paid remuneration in the following gross amounts:

Amount in KN	Remuneration for the work in the Supervisory Board	Fixed base salary	Variable part of the salary*	Total
Goran Medić (employee)	63.822,04	353.159,65	79.247,99	496.229,68
David Tudorović (employee)	72.939,47	361.140,43	71.868,62	505.948,52
Davor Tudorović (employee)**	173.976,61	216.661,18	0,00	390.637,79
Siniša Petrović	112.973,10	0,00	0,00	112.973,00
Darko Prebežac***	146.484,38	0,00	0,00	146.484,38

*variable remuneration relates to the taxes paid on variable part of the remuneration for the year 2019;

** remuneration for the work in the Supervisory Board encompasses the remuneration for the previous periods.

*** In addition to the remuneration for the work in the Supervisory Board, a monthly remuneration for the work in the Audit Committee in the amount of HRK 2,500.00 net was computed and paid out.

The Members of the Supervisory Board are not entitled to payments by the Company or its affiliates in the Company's shares.

The report on the remuneration of members of the Supervisory Board for the year 2020 was prepared in accordance with the relevant legal provisions, the Corporate Governance Code of the Zagreb Stock Exchange and HANFA.

Apart from the above payments, the Company made no other payments.

The Company granted no loans or advances to the members of the Supervisory Board.

The Company and its affiliates have not given any gifts or benefits of significant value to the members of the Supervisory Board.

The Company finds that the remuneration paid to the members of the Supervisory Board adequately corresponds to their engagement, tasks and duties performed in the Supervisory Board and the commissions established by it.

Remuneration received by the Members of the Management Board

The Management Board of Ilirija d.d. consists of one member. Mr. Goran Ražnjević was appointed by the decision of the Supervisory Board of the Company on 18th June, 2020 as the sole member of the Management Board for a term of 5 years, which is also his fifth consecutive term of office.



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Pursuant to Article 247.a of the Companies' Act ("ZTD"), the Supervisory Board of the Company adopted the Remuneration Policy at its session on 28th April 2020, which sets out the principles for the remuneration of the President of the Management Board as the sole member of the Management Board (hereinafter referred to as: Remuneration Policy). The remuneration policy applies as of 10th August, 2020 when it was approved by the General Assembly of the Company in accordance with Article 276.a, paragraph 1 of the Companies' Act. The remuneration of the President of the Management Board consists of the following parts:

- A fixed part of the remuneration that is not performance-dependant, and
- Variable part of the remuneration based on the fulfillment of financial and non-financial annual and multi-annual performance criteria.

Fixed parts of the remuneration

The fixed part of the remuneration consists of a **base salary and a salary in kind**.

The base salary is paid out twelve times a year. In determining the base salary, various factors were taken into account, primarily that this part of the salary is paid for accepting the function of the President of the Management Board and the related overall responsibility of the President of the Management Board. In addition, the amount of such remuneration is determined according to the remuneration of management board members that are common in the market in some other successful tourism companies whose shares are listed on the regulated market.

Salary in kind includes the entitlement to use the company car for private purposes. The Company provided the President of the Management Board with a personal vehicle of a higher middle class that can be used for private purposes as well.

Variable parts of the remuneration

The President of the Management Board is entitled to a variable part of the remuneration, which depends on both the economic development of the Company and the accomplishment of the agreed goals. The variable part of the remuneration ranges from 1.0% to 1.6% of the realized amount of EBITDA, and is limited to a maximum of 100% of the gross amount of the base salary as a component of the fixed part of the remuneration on an annual basis, assuming that the planned business goals are achieved.

The variable part of the remuneration is paid out, as a rule, once a year in accordance with the decision of the Supervisory Board. However, the Supervisory Board may decide that the variable part of the remuneration be paid on an one off basis for a maximum of the past three fiscal years.

In 2020, the company paid a variable remuneration related to bonuses for operating results from the previous years. No payment of the variable part of the remuneration was made to the President of the Management Board.

According to the long-term Business Cooperation Agreement concluded with the Company, the President of the Management Board has provided a diffuse hotel Ražnjevića Dvori with the surrounding land, categorized according to the decision of the State Administration Bureau as a 4-star diffuse hotel, which is in his private ownership to the company Ilirija d.d. for commercial use and disposal and according to the said Agreement, he is entitled to payment of a monthly fee from the Company in the amount of HRK 15,000.00 net.



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Consequently, in 2020, the Member of the Management Board was paid the remuneration in the following gross 1 amount:

Amounts in Kn	Fixed part	%	Variable part*	%	Receipts from property rental	%	Total	%
Goran Ražnjević	681.318,75	51%	460.972,91	34%	196.950,00	15%	1.339.241,66	100%

* The variable remuneration paid out in 2020 relates to taxes paid on variable part of the remuneration from the previous years.

The amount of remuneration for the President of the Management Board stipulated by the Remuneration Policy ensures that the total remuneration to be received by the President of the Management Board be adequate to the position he holds in the Company and to the remuneration payable in comparable companies, stimulating for the conduct aimed at sustainable development of the Company and improve the Company's business strategy, long-term development and interest. Remunerations are, accordingly, adequate to the total responsibility of the Management Board related to the tasks and responsibilities of the President of the Management Board, thereby also considering the length of employment, acceptance of the function of the sole member of the Management Board, i.e. the function of the President of the Management Board.

The remunerations of the President of the Management Board stipulated by the Remuneration Policy should allow the Company to find and retain a capable President of the Management Board and be a good balance between the variable and fixed remuneration.

In order to ensure an appropriate ratio of the remuneration received by the President of the Management Board to the remuneration received by the employees and working conditions in the Company, the remuneration policy stipulates that the monthly base (fixed) salary of the President of the Management Board should not exceed ten times the average monthly base salary of the Company's employees, calculated on the basis of full working time of the employees employed in the Company.

The following tables show the average remuneration paid out to all employees in gross 1 amount. These amounts include a fixed and variable part of the salary, payments in kind and other material benefits of employees arising from the employment, divided by an average number of employees working full time.

Average remuneration per employee - Gross 1 (in HRK)	2020	2019	2018	2017	2016
Annual remuneration	94.457,52	100.274,40	97.485,48	90.613,56	86.800,80

ILIRIJA d.d. (in HRK)	2020	2019	2018	2017	2016
Revenues	97.737.763,82	167.797.556,86	161.048.880,05	150.476.677,41	129.019.007,31
Net profit (loss)	1.021.879,54	31.333.913,66	37.035.167,22	27.755.384,38	30.676.046,46



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The remuneration policy stipulates no allocation of shares and/or options on shares to the President of the Management Board.

The company did not request a refund of the variable part of the salary, since no payment of the variable part was made in the year 2020.

The Company did not waive the Remuneration Policy adopted by the Supervisory Board and determined by the General Assembly.

The President of the Management Board has not received any payments or commitments for payments from any third party in connection with the work he has performed as a member of the Management Board during the previous fiscal year.

In case of cancellation of the contract due to the end of the term for which it was concluded, and in case that the Company offers no new contract to the President of the Management Board or in case that such a new contract is turned down by the Management Board or in case of the termination or cancellation of the contract by the Company not attributable to the misconduct of the President of the Management Board, the Company shall pay him a severance pay sum up to a maximum of his 12 base salaries. The stated amount makes up for the gross amount of severance pay and is reduced by all prescribed taxes and contributions from the salary.

This report on the remuneration of members of the Management Board for the year 2020 was prepared in accordance with the Company's Remuneration Policy, relevant legal provisions, the Corporate Governance Code of the Zagreb Stock Exchange and HANFA. The report on remuneration for the year 2020 will be submitted to the General Assembly for approval to be held in 2021.

In Biograd na Moru, dated 19th February 2021

ILIRIJA d.d.

Goran Ražnjević

President of the Management Board



ILIRIJA d.d. dioničko društvo
za ugostiteljstvo i turizam
Biograd na Moru 2

Goran Medić

President of the Supervisory Board



***INDEPENDENT LIMITED ASSURANCE AUDIT REPORT ON THE
REMUNERATION REPORT***

To the Management Board and Supervisory Board of Ilirija d.d., Biograd na Moru

Subject matter

Pursuant to the provisions of Article 272r item 3 of the Companies Act and the contract concluded with Ilirija d.d. (the „Company“), we performed a limited assurance engagement of the accompanying Remuneration report for the year ended 31 December 2020 (the “Remuneration Report”) prepared by the Company’s Management Board and Supervisory Board.

Reporting criteria

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 items 1 and 2 of the Companies Act.

Specific purpose and restriction of distribution

This report has been prepared solely for the Management Board and Supervisory Board is intended solely for the purpose specified in Article 272r item 3 of the Companies Act. We permit this report to be disclosed in the company’s web page in accordance with Article 272r item 4 of the Companies Act. We do not accept or assume responsibility to anyone other than the Company’s Management Board and Supervisory Board for our work or this report.

Management Board’s and Supervisory Board’s responsibilities

The Company’s Management Board and the Supervisory Board are responsible for preparing the Remuneration Report for the year 2020 in accordance with disclosure requirements of Article 272r items 1 and 2 of the Companies Act:

- information about the individuals to be included in the Remuneration Report,
- information about selecting appropriate Company’s remuneration policies,
- information about measurement of remuneration for the year 2020,
- other information prescribed by Article 272r of the Companies Act,
- publishing the Remuneration Report on the Company’s website in accordance with provisions of Article 272r item 4.

The Company's Management Board is also responsible for maintaining an internal control system that provides limited assurance that the information described above is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to report on examination of the Remuneration Report in accordance with the requirements of Article 272r item 3 of the Companies Act. We performed a limited assurance engagement in accordance with International Standards on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Applicable quality control requirements

We apply International Standard on Quality Control 1 and, accordingly, maintain a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Compliance with independence requirements and other ethical requirements

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Federation of Accountants, based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of the work performed

We have performed the following procedures regarding the subject matter:

- we inquired of members of Management, Supervisory Board and other persons within the Company to gain understanding of the remuneration policies and the process applied in preparing the Remuneration Report;
- we reconciled the remuneration information presented in the Remuneration Report with the Company's accounting record (general ledger and subledgers) for the year ended 31 December 2020;
- we received from the Company a list of all members of the Management and Supervisory Boards during 2020 and checked whether their remuneration is accurately disclosed in the Remuneration Report;

- we reviewed, on a sample basis, the relevant documentation (contract and payments) related to the remuneration information presented in the Remuneration Report; and
- we checked whether the Remuneration Report contains all information required by provision Article 272r item 1 and 2 of the Companies Act.

The nature and extent of our procedures were determined based on our risk assessment and our professional judgment in order to obtain limited assurance. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including and understanding of internal control, and the procedures performed in response to the assessed risks. Accordingly, the level of assurance obtained is lower than the level of assurance obtained in the reasonable assurance engagement.

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

Limited assurance auditor's conclusion

Based on our work performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Remuneration Report for the year ended 31 December 2020 is not prepared, in all material aspects, in accordance with the requirements specified in Article 272r items 1 and 2 of the Companies Act.


Inherent limitation

Based on the procedures performed and disclosed above, this is a limited assurance report and it is not, nor is it intended to be, a legal opinion on the Company's compliance with Article 272r items 1 and 2 of the Companies Act.

REVICON d.o.o.
Certified auditors
Ruđera Boškovića 4, Zadar, Hrvatska

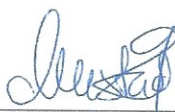
Zadar, 22 February 2021

Signed for and on behalf of Revicon d.o.o.:



Ervin Colić
Director





Martina Mustać
Certified auditor