

**SUPERVISORY BOARD**

Zagreb, 30 April 2022

The Supervisory Board of the company SUNCE HOTELI d.d., Radnička cesta 43, Zagreb, PIN: 06916431329 (hereinafter: the „Supervisory Board“), on the basis of Article 263. and 300. c of the Companies Act, at its meeting held on 30 April 2022 in Zagreb, is hereby adopting the following

**REPORT ON THE PERFORMED SUPERVISION OVER THE MANAGEMENT OF THE COMPANY'S OPERATIONS IN 2021**

During 2021, members of the Supervisory Board were: Jako Andabak, president of the Supervisory Board, Sanja Gagulić, deputy president of the Supervisory Board, Ružica Andabak, member of the Supervisory Board, Ana Volk, member of the Supervisory Board and a member appointed by the shareholder Erste d.o.o. – društvo za upravljanje obveznim i dobrovoljnim mirovinskim fondovima pursuant to the Company's Articles of Association, Ratomir Ivičić. The Supervisory Board members Jako Andabak, Sanja Gagulić, Ružica Andabak and Ana Volk were serving as members of the Board until 13 June 2021. From 14 June 2021, the following persons are serving as Supervisory Board members: Mohamed Ali Rashed Alabbar as president of the Supervisory Board and Frederick William Howdon Durie, Ping Low and Mark Gordon Kirby as Supervisory Board members. The Supervisory Board member's Mark Gordon Kirby term ceased on 19 July 2021.

During 2021, the Supervisory Board held ten sessions and discussed and adopted resolutions and conclusions on matters concerning the business and operations of the company.

The Management Board regularly reported to the Supervisory Board on all material business events, course of operations, revenues and expenses, and generally on the company's status. The Management Board regularly submitted to the Supervisory Board reports on business operations to which the Supervisory Board had no comments.

The Supervisory Board of the Company supervised the management of the company's operations in the period from 1 January to 31 December 2021 in accordance with its authority established in the Companies Act and the Company's Articles of Association. The Supervisory Board established that in the year 2021 the company acted in accordance with the law, the company's internal acts and the general assembly resolutions.

The Supervisory Board examined the Annual financial statements of the company and its subsidiaries together with the opinion of an independent auditor submitted by the Management Board, all in accordance with the Article 300. c. of the Companies Act.

The integral parts of the annual financial statements for the year 2021 which the Supervisory Board examined are:

- Company's profit and loss statement
- Company's balance sheet
- Company's cash flow statement
- Company's statement of changes in equity
- Company's notes along the financial statements
- Subsidiaries' profit and loss statements

- Subsidiaries' balance sheet
- Subsidiaries' cash flow statement
- Subsidiaries' statement of changes in equity
- Subsidiaries' notes along the financial statements
- Report on the performed audit

The Supervisory Board established that the Annual financial statements of the company and its subsidiaries (consolidated statements) have been prepared in accordance with the company's business records and those of its subsidiaries and that they show a correct property status.

The Supervisory Board also verified the Management Board's annual report for the year 2021 and established that it objectively represented the current business situation and the company's status. Accordingly, the Supervisory Board accepted the Management Board's report on the status of the company for the year 2021.

In accordance with this finding, the Supervisory Board consents to the annual financial report for the year 2021 and the auditor's opinion, whereby the Management Board and the Supervisory Board, on the basis of Article 300. d. of the Companies Act, have determined the annual financial statements of the company.

The company's management board has delivered to the Supervisory Board the proposal of the decision on the coverage of losses with which the Supervisory Board concurs and will submit the proposal to the General Assembly to vote on its acceptance.

President of the Supervisory Board



Mohamed Ali Rashed Alabbar

