

Zagreb, August 7, 2023.

Zagreb Stock Exchange dd
Croatian Agency for Supervision of Financial Services
HINA
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The Company's website

Notice on adopted decisions of the General Assembly

In accordance with the Rules of the Zagreb Stock Exchange, Sunce hoteli dd, Radnička cesta 43, Zagreb, OIB: 06916431329 (" **Sunce** " or " **Company** "), hereby inform that the Company held a General Assembly **today, August 7, 2023** , at its headquarters.

The following agenda has been published:

1. Opening of the General Assembly, determination of the number of present and represented shareholders
2. Decision on the approval of the Report on the receipts of members of the Supervisory Board and members of the Company's Management Board in 2022
3. Discussion on the annual financial reports of the Company and the consolidated annual financial reports of the Group for the year 2022, the Annual Report on the state and operations of the Company and the Group for the business year 2022, and the Report of the Supervisory Board on the supervision of the management of the Company's business in the business year 2022, The report of the Supervisory Board on relations with related companies as well as the decision-making (a) on the use of profits from 2022 (b) the granting of a discharge to the members of the management board for the business year 2022 and (c) the granting of a discharge to the members of the Supervisory Board for the business year 2022;
4. Decision on the appointment of the auditor of the Company for the business year 2023

At the General Assembly of the Company, shareholders were present by proxy, who together hold 7,575,923 shares, which represents 96.81% of the total number of shares with voting rights.

The adopted decisions of the General Assembly are listed below in this notice:

Company name:
SUNCE HOTELI d.d. za turizam i
ugostiteljstvo, turistička agencija

The abbreviated company name:
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Company name translated into English:
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IBAN: HR0823600001101909750 - SWIFT: ZABAHR2X

Share capital: 101.746.060,00 EUR

Total number of shares issued: 7.826.620,00

Supervisory Board:
Mohamed Ali Rashed Alabbar, Chairman

Management Board:
Mubarak Al-Khalifa, President

Ad. 2.

The General Assembly approves the Report on the receipts of members of the Supervisory Board and Members of the Company's Management Board in 2022, which reads:

Report on the receipts of members of the Supervisory Board and members of the Company's Management Board in 2022

Introductory remarks

The Company General Assembly took in its meeting of 26th August 2022 a Decision on the remuneration of the Supervisory Board members and approved the Remuneration Policy concerning the Management Board members.

The Decision on remuneration of the Supervisory Board members and the Remuneration Policy concerning the Management Board members were adopted in such manner to promote objective and independent actions on part of both, the Supervisory Board members and the Management Board members.

I. Remuneration of the Supervisory Board members

Pursuant to the Company's Articles of Association, Supervisory Board of the Company consists of up to seven members. The exact number of members in a particular mandate period is determined by the General Assembly by its decision. In 2022, the Supervisory Board members were: Mohamed Ali Rashed Alabbar, Supervisory Board member from 14th June 2021 and President of the Supervisory Board from 25th June 2021, Frederick William Howdon Durie, Supervisory Board member from 14th June 2021 and Vice President of the Supervisory Board from 25th June 2021, Ping Low, Supervisory Board member from 14th June 2021 until 12th July 2022, Rosa Mijailović, Supervisory Board member from 26th August 2022, and Ratimir Ivičić, a member appointed by shareholders of Erste d.o.o. – *društvo za upravljanje obveznim i dobrovoljnim mirovinskim fondovima* (Erste d.o.o. Company for the management of compulsory and voluntary pension funds) pursuant to the Company's Articles of Association, member until 16th November 2022.

Supervisory Board members who were appointed by the General Assembly from 14th June 2021, i.e., Mohamed Ali Rashed Alabbar, Frederick William Howdon Durie, Ping Low and Rosa Mijailović and did not receive any remuneration for performing stated duties.

Ratimir Ivičić, Supervisory Board member appointed by shareholders pursuant to the Company's Articles of Association, received fixed remuneration for serving on the Board pursuant to the Decision of 30th August 2021 of the Company General Assembly, and ceased to be a member of the Supervisory Board on November 16th, 2022.

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Management Board:
Mubarak Al-Khalifa, President

a. The Company paid the following sums to the Supervisory Board members in 2022:

all amounts are in Croatian kuna

First and last name	Title	Remuneration paid in 2022		
		Salary (gross)	Salary in kind	Total remuneration
Ratomir Ivičić	Supervisory Board member until November 16 th 2022	110,832	8,312	119,144
Mohamed Ali Rashed Alabbar	Supervisory Board member from 14 th June 2021, President of the Supervisory Board from 25 th June 2021	0	0	0
Frederick William Howdon Durie	Supervisory Board member from 14 th June 2021, Vice President of the Supervisory Board from 25 th June 2021	0	0	0
Rosa Mijailović	Supervisory Board member from 26 th August 2022	0	0	0
Ping Low	Supervisory Board member from June 14 th 2021 until 12 th July 2022	0	0	0

In accordance with the Decision on the remuneration for the Supervisory Board members, the Supervisory Board members received neither variable remuneration for serving on the Supervisory Board nor any Company shares or share options in 2022. Members of the Supervisory Board who were appointed by the General Assembly of the Company and who were employed by the Company during 2022, also received a salary in kind for the use of a company car, which is included in the amount of gross salary receipts, i.e., compensation in the data presented.

Other receipts of members of the Supervisory Board include health contributions.

Apart from aforementioned, the Company did not make any other salary payments to members of the Supervisory Board in 2022.

b. Audit Committee

The Audit Committee meets as a committee of the Supervisory Board and consists of three members. In 2022, the Audit Committee consisted of the following members:

Amanda Webb	President of the Audit Committee from 19 th December 2022
Ivan Augustin	President of the Audit Committee until 19 th December 2022
Ali Al Frayhat	Audit Committee member from 30 th August 2021
Mohamed Bitar	Audit Committee member from 30 th August 2021

Ivan Augustin, Audit Committee member who is independent and has competence in accounting and auditing, received remuneration for serving on the Audit Committee, while other members of the Audit Committee received no remuneration for serving on the Audit Committee in 2022.

In 2022, the Company paid remuneration for serving on the Audit Committee to the President of the Audit Committee Ivan Augustin in the gross amount of HRK 65,663.10.

Besides the payment mentioned, the Company paid no other remunerations to the Audit Committee members for serving on the Committee in 2022.

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Mubarak Al-Khalifa, President

c. The compliance of the remuneration paid in 2022 with the Decision on the remuneration of the Supervisory Board members from 26th August 2022

In its meeting of 26th August 2022, the General Assembly of the Company took the Decision on the remuneration of the Supervisory Board members according to which the Supervisory Board members appointed by the General Assembly of the Company shall not receive remuneration for serving on the Supervisory Board, while the member appointed by shareholders shall be entitled to remuneration pursuant to the Decision by the General Assembly.

The said Decision also stipulates that the Supervisory Board shall determine the remuneration for the Audit Committee member with professional competence by way of its decision, which is fixed and independent of Company's operating results, the remuneration shall be determined in the monthly gross amount. The other two members do not receive compensation for their duties on the board.

Therefore, the remuneration paid to the members of the Supervisory Board and the Audit Committee in 2022 is in accordance with the Decision on the remuneration of the Supervisory Board members from 26th August, 2022.

II. Remuneration of the Management Board members

Pursuant to the Company's Articles of Association, Management Board of the Company consists from one to five members. The exact number of members of the Management Board in a particular mandate period is determined by the Supervisory Board by its decision. In 2022, the Company Management Board consisted of the following members:

Shaikh Mubarak Ali Abdulla Hamad Alkhalifa	President of the Management Board from 27 th September 2021
Hrvoje Veselko	President of the Management Board until 27 th September 2021, Management Board member from 28 th September 2021 until 19 th January 2022

a. The Company paid the following sums to the Management Board members in 2022:

all amounts are in Croatian kuna

First and last name	Title	Remuneration paid in 2022		
		Salary (gross)	Salary in kind	Total remuneration
Hrvoje Veselko /i/	President of the Management Board until 27 th September 2021, member of the Management Board from 28 th September 2021 until 19 th January 2022	1,413,146	233,169	1,646,315
Shaikh Mubarak Ali Abdulla Hamad Alkhalifa	President of the Management Board from 27 th September 2021	592,379	97,743	690,122

/i/ The gross receipts paid relate mostly to the payment of severance pay in 2022.

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During 2022, the members of the Management Board, except for the President of the Management Board who was appointed on 27th September 2021, also received a salary in kind for the use of Company's car, which is included in the paid gross salaries in the above data.

Other receipts of the President of the Management Board who was appointed on 27th September 2021, include health contributions.

Apart from aforementioned, the Company did not pay any other receipts to the members of the Management Board in 2022.

In 2022, there were no payments or obligations to pay third parties to members of the Management Board in connection with the duties they performed as the Management Board in 2022.

The member of the Management Board, in accordance with the Remuneration Policy for members of the Management Board from 26th August 2022, did not receive variable compensation in 2022, nor did they receive shares or options on the Company's shares for their function.

b. The President of the Management Board received fixed monthly salaries pursuant to his managerial contract concluded with the Company.

Contract with the President of the Management Board has been concluded for the entire term of office, it regulates the rights and obligations of the President of the Management Board and determines his remuneration at the same time. The President of the Management Board has a permanent employment relationship with the Company.

A contract with a Management Board member may be terminated:

- a) by an agreement between the Company and the Management Board member
- b) by removal of the Management Board member due to important reason or by an extraordinary contract termination
- c) by termination on part of the Company without having an important reason for removal
- d) by resignation and termination on part of the Company Management Board member.

Ad.a) If a contract with the Management Board member is terminated by mutual agreement, both contracting parties freely determine the conditions of the contract termination

Ad.b) Should the Management Board member be removed from the Board for any important reason, the Company shall terminate the employment contract by way of an extraordinary termination without the notice period. In case of the termination for an important reason, the Management Board member shall not be entitled to the severance allowance.

Ad.c) The Company may terminate the contract without having an important reason. In this case, the Company shall offer to the Management Board member to conclude an employment contract under modified conditions for some other jobs in accordance with his or her professional qualifications, whereby the Management Board member shall be entitled to accept the offered contract for a new job or to refuse it, in case of which he or she will no longer be employed in the Company. Upon the expiry of the notice period, the Company shall pay out to the Management Board member a severance allowance amounting to twelve monthly salaries under the Contract. The Management Board member shall notify the Company of its decision within 8 days of the notification by the Company of the contract termination and the offer for a new contract.

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If the Company terminates the contract without having an important reason for the termination and the Management Board member refuses to accept the new employment contract, the rights and obligations of the Management Board member laid down in the Contract shall cease within the 6 month – notice period from the day of the receipt of the Decision on the Contract Termination.

Ad.d) The Management Board member may terminate his or her contract and resign without having to state reasons for such decision, but is under obligation to perform his or her duty until another person has been appointed to the same position, but no longer than 3 months upon the contract termination.

In case of the resignation of the Management Board member before the expiry of his or her term of office, the Management Board member shall not be entitled to a severance allowance.

c. Compliance of the remuneration paid in 2022 with the Remuneration Policy concerning Management Board members from 26th August 2022

The General Assembly of the Company approved the Remuneration Policy concerning the Management Board members in its meeting on 26th August 2022 according to which the members of the Company Management Board shall receive only fixed remuneration or the contracted gross salary until 26th August 2026, until the validity of the Remuneration Policy.

Therefore, the remunerations paid to the Management Board members in 2022 are in accordance with the Remuneration Policy concerning the Management Board members from 26th August 2022.

III The comparative overview of the movement of revenue, profit, the annual remuneration per employee

all amounts are in thousands of Croatian kuna:

Year	Total income	Net profit	Average number of employees	Average gross receipts per employee
2018.	434,975	30,044	1,179	126
2019.	452,516	6,017	1,278	115
2020.	149,419	(35,737)	820	115
2021.	329,733	(249)	985	125
2022.	466,887	21,917	1,060	136

For purpose of comparability, the data presented are based on consolidated data of Sunce hoteli d.d. Group. The average number of employees is based on the total number of employees in the Group, and the average gross income per employee is based on the total cost of employees in a particular year.

7,575,923 votes were cast for the decision (which represents 100% of the votes present at the general assembly).

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Ad. 3.

a) Decision on the use of profits from 2022.

The Company's profit realized in 2022 in the amount of HRK 18,354,185.83 will be allocated to the existing carried forward loss that will be covered from the Company's future operations.

7,575,923 votes were cast for the decision (which represents 100% of the votes present at the general meeting).

b) Decision on granting discharge to the members of the Management Board for the business year 2022.

Dismissal is given to the members of the Company's Management Board for the business year 2022.

7,575,923 votes were cast for the decision (which represents 100% of the votes present at the general meeting).

c) Decision on granting discharge to the members of the Supervisory Board of the Company for the business year 2022

The members of the Supervisory Board are hereby dismissed for the business year 2022.

7,575,923 votes were cast for the decision (which represents 100% of the votes present at the general assembly).

Ad 4.

Decision on the appointment of the Company's auditor for the business year 2023

The provision of audit services for the Company and the audit of the Group's consolidated financial statements for the business year 2023 is entrusted to the company Ernst & Young, doo za revisioni, Zagreb, Radnička cesta 50, OIB: 58960122779.

7,575,923 votes were cast for the decision (which represents 100% of the votes present at the general assembly).

SUNCE HOTELI dd
Investor relations

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