

## KODEKS KORPORATIVNOG UPRAVLJANJA

### GODIŠNJI UPITNIK

MAIN COMPANY INFORMATION:

CONTACT PERSON AND CONTACT PHONE:

DATE OF QUESTIONNAIRE COMPLETE:

LUKA PLOČE D.D.

Branka Mateljak 020 603 263

17.3.2015.

All the questions contained in this questionnaire relate to the period of one business to which annual financial statements also relate.

If question in questionnaire ask for explanation, it is needed to explain answer.

All answers in questionnaire will be measured in percentage as explained in the beginning of each chapter.

#### COMPANY HARMONIZATION TO THE PRINCIPLES OF CORPORATE GOVERNANCE CODE

Answers to this questionnaire chapter will be valued with max. 20% of whole questionnaire valuation of company harmonization to the principles of Corporate Governance Code

	Question No.	Questions	Answer YES/NO	Exsplanation
	1	Did the Company accept the application of the Corporate Governance Code or did it accept its own policy of corporate governance?	YES	
	2	Does the Company have adopted principles of corporate governance within its internal policies?	YES	
	3	Does the Company announce within its annual financial reports the compliance with the principles of 'comply or explain'?	YES	
	4	Does the Company take into account the interest of all shareholders in accordance with the principles of Corporate Governance Code while making decisions?	YES	

**SHAREHOLDERS AND GENERAL MEETING**

Answers to this questionnaire chapter will be valued with max. 30% of whole questionnaire valuation of company harmonization to the principles of Corporate Governance Code

	Question No.	Questions	Answer YES/NO	Exsplanation
	5	Is the company in a cross-shareholding relationship with another company or other companies? (If not, explain)	NO	
	6	Does each share of the company have one voting right? (If not, explain)	YES	
	7	Does the company treat all shareholders equally? (If not, explain)	YES	
	8	Has the procedure for issuing power of attorney for voting at the general assembly been fully simplified and free of any strict formal requirements? (If not, explain)	YES	
	9	Has the company ensured that the shareholders of the company who, for whatever reason, are not able to vote at the assembly in person, have proxies who are obliged to vote in accordance with instructions received from the shareholders, with no extra costs for those shareholders? (If not, explain)	NO	Shareholders which are not able to vote in person insure their proxies by themselves.
	10	Did the management or Management Board of the company, when convening the assembly, set the date for defining the status in the register of shares, which will be relevant for exercising voting rights at the general assembly of the company, by setting that date prior to the day of holding the assembly and not earlier than 6 days prior to the day of holding the assembly? (If not, explain)	YES	
	11	Were the agenda of the assembly, as well as all relevant data and documentation with explanations relating to the agenda, announced on the website of the company and put at the disposal of shareholders on the company's premises as of the date of the first publication of the agenda? (If not, explain)	YES	
	12	Does the decision on dividend payment or advance dividend payment include information on the date when shareholders acquire the right to dividend payment, and information on the date or period during which the dividend will be paid? (If not, explain)	NO	Company has not made any dividend payment so far.
	13	Is the date of dividend payment or advance dividend payment set to be not later than 30 days after the date of decision making? (If not, explain)		

	14	Were any shareholders favoured while receiving their dividends or advance dividends? (If so, explain)		
	15	Are the shareholders allowed to participate and to vote at the general assembly of the company using modern communication technology? (If not, explain)	NO	There are no prerequisites to allow such participation by using modern communication technology.
	16	Have the conditions been defined for participating at the general assembly by voting through proxy voting (irrespective of whether this is permitted pursuant to the law and articles of association), such as registration for participation in advance, certification of powers of attorney etc.? (If so, explain)	YES	
	17	Did the management of the company publish the decisions of the general assembly of the company?	YES	
	18	Did the management of the company publish the data on legal actions, if any, challenging those decisions? (If not, explain)	NO	There were no legal actions challenging the decisions

#### MANAGEMENT AND SUPERVISORY BOARD

PLEASE PROVIDE THE NAMES OF MANAGEMENT BOARD MEMBERS AND THEIR FUNCTIONS

Pavlović Ivan president of the Board, Dodi

PLEASE PROVIDE THE NAMES OF SUPERVISORY BOARD AND THEIR FUNCTIONS

Drozdek Darko, president of the Supervisory Board

Answers to this questionnaire chapter will be valued with max. 20% of whole questionnaire valuation of company harmonization to the principles of Corporate Governance Code

	Question No.	Questions	Answer YES/NO	Exsplanation
	19	Did the Supervisory or Management Board adopt a decision on the master plan of its activities, including the list of its regular meetings and data to be made available to Supervisory Board members, regularly and in a timely manner? (If not, explain)	YES	
	20	Did the Supervisory or Management Board pass its internal code of conduct? (If not, explain)	YES	
	21	Is the Supervisory Board composed of, i.e. are non-executive directors of the Management Board mostly independent members? (If not, explain)	YES	

	22	Is there a long-term succession plan in the company? (If not, explain)	NO	Not anticipated by the Code of Corporate Governance
	23	Is the remuneration received by the members of the Supervisory or Management Board entirely or partly determined according to their contribution to the company's business performance? (If not, explain)	NO	Remuneration was determined by the Decision of the General Assembly
	24	Is the remuneration to the members of the Supervisory or Management Board determined by a decision of the general assembly or in the articles of association of the company? (If not, explain)	YES	
	25	Have detailed records on all remunerations and other earnings of each member of the Supervisory or Management Board received from the company or from other persons related to the company, including the structure of such remuneration, been made public? (If not, explain)	NO	Not anticipated by the Code of Corporate Governance
	26	Does every member of the Supervisory or Management Board inform the company of each change relating to their acquisition or disposal of shares of the company, or to the possibility to exercise voting rights arising from the company's shares, not later than five trading days, after such a change occurs (If not, explain)	YES	
	27	Were all transactions involving members of the Supervisory or Management Board or persons related to them and the company and persons related to it clearly presented in reports of the company? (If not, explain)	NO	There were no such transactions
	28	Are there any contracts or agreements between members of the Supervisory or Management Board and the company?	NO	
	29	Did they obtain prior approval of the Supervisory or Management Board? (If not, explain)	NO	There is no such contract or agreement.
	30	Are important elements of all such contracts or agreements included in the annual report? (If not, explain)	NO	There is no such contract or agreement.
	31	Did the Supervisory or Management Board establish the appointment committee?	NO	
	32	Did the Supervisory or Management Board establish the remuneration committee?	YES	
	33	Did the Supervisory or Management Board establish the audit committee?	YES	
	34	Was the majority of the committee members selected from the group of independent members of the Supervisory Board? (If not, explain)	YES	

	35	Did the committee monitor the integrity of the financial information of the company, especially the correctness and consistency of the accounting methods used by the company and the group it belongs to, including the criteria for the consolidation of financial reports of the companies belonging to the group? (If not, explain)	YES	
	36	Did the committee assess the quality of the internal control and risk management system, with the aim of adequately identifying and publishing the main risks the company is exposed to (including the risks related to the compliance with regulations), as well as managing those risks in an adequate manner? (If not, explain)	YES	
	37	Has the committee been working on ensuring the efficiency of the internal audit system, especially by preparing recommendations for the selection, appointment, reappointment and dismissal of the head of internal audit department, and with regard to funds at his/her disposal, and the evaluation of the actions taken by the management after findings and recommendations of the internal audit? (If not, explain)	NO	There was no need for it.
	38	If there is no internal audit system in the company, did the committee consider the need to establish it? (If not, explain)	NO	Internal Audit system is not established.
	39	Did the committee monitor the independence and impartiality of the external auditor, especially with regard to the rotation of authorised auditors within the audit company and the fees the company is paying for services provided by external auditors? (If not, explain)	YES	
	40	Did the committee monitor nature and quantity of services other than audit, received by the company from the audit company or from persons related to it? (If not, explain)	NO	No such services.
	41	Did the committee prepare rules defining which services may not be provided to the company by the external audit company and persons related to it, which services may be provided only with, and which without prior consent of the committee? (If not, explain)	NO	All activities are governed by the Audit Act.
	42	Did the committee analyse the efficiency of the external audit and actions taken by the senior management with regard to recommendations made by the external auditor? (If not, explain)	YES	
	43	Did the audit committee ensure the submission of high quality information by dependent and associated companies, as well as by third parties (such as expert advisors)? (If not, explain)	YES	

	44	Was the documentation relevant for the work of the Supervisory Board submitted to all members on time? (If not, explain)	YES	
	45	Do Supervisory Board or Management Board meeting minutes contain all adopted decisions, accompanied by data on voting results? (If not, explain)	YES	
	46	Has the Supervisory or Management Board evaluated their work in the preceding period, including evaluation of the contribution and competence of individual members, as well as of joint activities of the Board, evaluation of the work of the committees established, and evaluation of the company's objectives reached in comparison with the objectives set?	YES	
	47	Did the company publish a statement on the remuneration policy for the management, Management Board and the Supervisory Board as part of the annual report? (If not, explain)	NO	
	48	Is the statement on the remuneration policy for the management or executive directors permanently available on the website of the company? (If not, explain)	NO	
	49	Are detailed data on all earnings and remunerations received by each member of the management or each executive director from the company published in the annual report of the company? (If not, explain)	NO	
	50	Are all forms of remuneration to the members of the management, Management Board and Supervisory Board, including options and other benefits of the management, made public, broken down by items and persons, in the annual report of the company? (If not, explain)	NO	Not anticipated by the Code of Corporate Governance
	51	Are all transactions involving members of the management or executive directors, and persons related to them, and the company and persons related to it, clearly presented in reports of the company? (If not, explain)	NO	Not anticipated by the Code of Corporate Governance
	52	Does the report to be submitted by the Supervisory or Management Board to the general assembly include, apart from minimum information defined by law, the evaluation of total business performance of the company, of activities of the anagement of the company, and a special comment on its cooperation with the management? (If not, explain)	YES	

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	Question No.	Questions	Answer YES/NO	Exsplanation
	53	Does the company have an external auditor?	YES	
	54	Is the external auditor of the company related with the company in terms of ownership or interests?	NO	
	55	Is the external auditor of the company providing to the company, him/herself or through related persons, other services?	NO	
	56	Has the company published the amount of charges paid to the independent external auditors for the audit carried out and for other services provided? (If not, explain)	NO	
	57	Does the company have internal auditors and an internal audit system established? (If not, explain)	NO	

#### **TRANSPARANCY AND THE PUBLIC OF ORGANIZATION OF BUSINESS**

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	Question No.	Questions	Answer YES/NO	Exsplanation
	58	Are the semi-annual, annual and quarterly reports available to the shareholders?	YES	
	59	Did the company prepar the calendar of important events?	YES	
	60	Did the company establish mechanisms to ensure that persons who have access to or possess inside information understand the nature and importance of such information and limitations related to it?	YES	
	61	Did the company establish mechanisms to ensure supervision of the flow of inside information and possible abuse thereof?	YES	
	62	Has anyone suffered negative consequences for pointing out to the competent authorities or bodies in the company or outside, shortcomings in the application of rules or ethical norms within the company?	NO	
	63	Did the management of the company hold meetings with interested investors, in the last year?	YES	

	64	Do all the members of the management, Management Board and Supervisory Board agree that the answers provided in this questionnaire are, to the best of their knowledge, entirely truthful?	YES	
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ig Željka member of the Board for financial affairs, Tomo Krilić member of the Board for sale and marketing

ory Board; Rudolf Davorin, deputy president of the Supervisory Board, Gjenero Krešimir, member of the Supervisory Board; Štrbić Melita, member of the Supervisory Board; Lc

















›vrinov Tonka, member of the Supervisory Board