

REMUNERATION POLICY OF MEMBERS OF THE MANAGEMENT BOARD

The policy of remuneration of members of the Management Board is valid from the approval of the General Assembly, ie from 30.8.2021. to 30.06.2022.

Company name:
SUNCE HOTELI d.d. za turizam i
ugostiteljstvo, turistička agencija
The abbreviated company name:
SUNCE HOTELI d.d.
Company name translated into English:
SUNCE HOTELI Joint Stock Company,
for tourism and hospitality, travel agency

Contact: Trpinjska 9, 10000 Zagreb, Croatia
T. +385 1 3844 044 - F. +385 1 3844 177 - www.bluesunhotels.com
Commercial Court in Zagreb
MBS 080502040 - MB 1869647 - OIB 06916431329
Banks:
Zagrebačka banka d.d. IBAN: HR0823600001101909750
Privredna banka Zagreb d.d. IBAN: HR3023400091110503995
Erste&Steiermärkische Bank d.d. IBAN HR7924020061100956851

Share capital: HRK 595.458.500,00
Total number of shares issued: 5.954.585
Supervisory Board:
Mohamed Ali Rashed Alabbar, Chairman
Management Board:
Hrvoje Veselko, president
Ivan Potkrajčić, member.

In accordance with Article 247.a. of the Companies Act, based on the proposal of the Supervisory Board of SUNCE HOTELI d.d. (hereinafter: the Company), the General Assembly of the Company at its session held on 7.9.2020. approved the following:

REMUNERATION POLICY OF MEMBERS OF THE MANAGEMENT BOARD

The remuneration of the Company Management Board members is based on the principle of security of income as well as the retention of quality professionals in the Company. The remuneration policy is such as to discourage the Management Board members from making high-risk decisions that are unacceptable to the Company.

In 2020, the Company's business operations were impeded due to the COVID-19 pandemic and it exercised its right to use the Aid for Preservation of Employment in Activities Affected by Coronavirus (COVID-19) paid by the Croatian Employment Service.

According to the decision of the Croatian Employment Service, the aid beneficiary shall be obliged to repay the amount of aid received from May 2020 if, by 30th June 2022, among other things, it pays the Management Board members a bonus for the achieved results, if it awards own shares to the Management Board members, i.e. other persons authorised to manage the entire or a part of the business.

At the time of the adoption of this Policy, the Company had used the subject aid for about 700 employees for all months of the support, except for August of 2020. Total amount received is exceeding three million euros.

Given the stated limitation in the variable remuneration that would be related to the achieved business results, until 30 June 2022 the Management Board members shall receive only fixed remuneration, i.e. the agreed gross salary.

Fixed remuneration of the Management Board members is determined in a manner that reflects the value of the work and responsibilities undertaken by the Management Board member, but is also such as to ensure good employment conditions and thus make the Company a desirable employer. Given the above, the subject policy contributes to the strategy and development of the Company.

The contract with the member and the President of the Management Board is concluded for the entire appointment period, and it defines the rights and obligations of the member and the President of the Management Board as well as their remuneration. All Management Board members have an employment relationship established for an indefinite period in the Company.

The contract with the Management Board member may be terminated:

- a) by agreement between the Management Board member and the Company
- b) by revoking the appointment of the Management Board member for good cause and by extraordinary termination of the contract
- c) cancellation by the Company without cause for revocation
- d) resignation and dismissal of the Management Board member

Ad a) If the contract with the Management Board member is terminated by agreement, then both parties are free to determine the conditions for the termination of the contract

Ad b) In the event that the appointment of the Management Board member is revoked, in addition to stating good cause for revocation, the Company terminates the employment contract by extraordinary notice without observing the notice period.

In case of dismissal due to good cause, the Management Board member shall not have the right to severance pay.

Ad c) The Company may terminate the contract without good cause. In such case, the Company shall offer the Management Board member the option to conclude an employment contract under changed conditions in other jobs in accordance with their professional qualification, provided that the Management Board member has the right to choose whether they will accept the offered employment contract concerning a new position or refuse to conclude the offered employment contract thereby terminating their employment relationship with the Company, in which case the Company is obligated to pay severance pay in the amount of twelve agreed monthly salaries to the Management Board member after the expiration of the notice period. The Management Board member shall inform the Company about their choice within 8 days from the date on which the Company informed them about the termination of the contract and offer of a new contract.

If the Company terminates the contract without good cause, and the Management Board member does not accept the new employment contract offered to them, the rights and obligations of the Management Board member under the contract shall cease within 6 months from the date of receiving the Decision on terminating the contract.

Ad d) The Management Board member may terminate their contract and resign without stating the reasons, with the obligation to hold the same function until the appointment of another person for the same function, and no longer than 3 months after the termination of the contract.

The resignation by the Management Board member prior to the expiration of their appointment represents good cause for extraordinary termination of the contract by the Company, without the obligation to observe the notice period. In that case, the Management Board member shall not be entitled to severance pay.

If a member or President of the Management Board is not reappointed after the expiration of the term, and the contract for the same position is not renewed, the Company is obliged to offer the Member or President of the Management Board an employment contract with amended conditions for an indefinite period, 2 months before the expiration of the term, in accordance with his professional qualification. If a Member or the President of the Management Board does not accept the offered contract, his employment shall terminate upon the expiration of his term of office, with the right to severance pay determined by the Labour Act.

Given that all Management Board members are employed by the Company, the Company pays their pension and health insurance contributions, provided that it has no obligation to purchase additional years of pensionable service for the Management Board member.

By adopting this decision, the Remuneration Policy for the Management Board Members adopted on 7th September 2020 is revoked.

This Policy shall enter into force on the date of its approval by the Company General Assembly and shall be valid until 30 June 2022.

The Policy is determined by the Supervisory Board and submitted to the General Assembly for approval. The Supervisory Board is responsible for the implementation and supervision of the implementation of the Policy.

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The decision of the General Assembly and the Remuneration Policy shall be published and made available free of charge for a period of ten years, immediately after the General Assembly, on the Company's website with an indication of the validity date.

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