

SUPERVISORY BOARD
Zagreb, 22 December 2022

Supervisory Board of SUNCE HOTELI d.d. with registered seat in Zagreb, Radnička cesta 43, Personal Identification Number (OIB): 06916431329 (hereinafter: the “**Company**”) in accordance with Article 263, Article 275 and Article 300c of the Companies Act (cro. *Zakon o trgovačkim društvima*, Official Gazette, 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15, 40/19, 34/22) (hereinafter: the “**Companies Act**”), adopted on 22 December 2022

REPORT ON SUPERVISION OF COMPANY'S BUSINESS MANAGEMENT

In accordance with Article 275 paragraph 3 of the Companies Act, Shareholders' Meeting may, *inter alia*, adopt a decision on amendments to the Company's Articles of Association only after the Supervisory Board submits to the Shareholders' Meeting a report on supervision of the Company's business management and therefore the Supervisory Board of the Company hereby adopts and submits to the Shareholders' Meeting the report for the purpose of adopting the intended decision on amendment to the Company's Articles of Association.

During 2020 and until 14 June 2021, members of the Supervisory Board were: Jako Andabak, chairman of the Supervisory Board, Sanja Gagulić, deputy chairman of the Supervisory Board, Ružica Andabak, member of the Supervisory Board, Ana Volk, member of the Supervisory Board and a member appointed by former Erste Ltd - mandatory and voluntary pension funds management company pursuant to the Company's Articles of Association, Ratomir Ivičić.

From 14 June 2021 to 19 July 2021 the Supervisory Board consisted of the following members: Mohamed Ali Rashed Alabbar, chairman of the Supervisory Board, Frederick William Howdon Durie, deputy chairman of the Supervisory Board, Ping Low, member of the Supervisory Board, Mark Gordon Kirby, member of the Supervisory Board and a member appointed by the former shareholder Erste Ltd - mandatory and voluntary pension funds management company pursuant to the Company's Articles of Association, Ratomir Ivičić.

From 20 July 2021 the Supervisory Board consists of the following members: Mohamed Ali Rashed Alabbar, chairman of the Supervisory Board, Frederick William Howdon Durie, deputy chairman of the Supervisory Board, Ping Low, member of the Supervisory Board and a member appointed by former shareholder Erste Ltd - mandatory and voluntary pension funds management company pursuant to the Company's Articles of Association, Ratomir Ivičić.

On 18 July 2022, the Company received the resignation of Supervisory Board member Ping Low, and on 26 August 2022, at the Shareholders' Meeting of the company, Rosa Mijailović was elected as a new member of the Supervisory Board. Furthermore, on 25 November 2022, the Company received the resignation of the Supervisory Board member Ratomir Ivičić appointed by the former shareholder Erste Ltd - mandatory and voluntary pension funds management company, after which the Supervisory Board operates in the following composition: Mohamed Ali Rashed Alabbar, chairman of the Supervisory Board, Frederick William Howdon Durie, deputy chairman of the Supervisory Board and Rosa Mijailović, member of the Supervisory Board. The mentioned changes have not yet been registered in the court register.

Over the course of 2021, the Supervisory Board held ten meetings where it discussed and made decisions and conclusions on issues related to the work and operations of the Company and its affiliates. The Supervisory Board also

Tvrtka: SUNCE HOTELI d.d. za turizam
i ugostiteljstvo, turistička agencija
Skrraćena tvrtka: SUNCE HOTELI d.d.

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MBS 080502040 - MB 1869647 - OIB 06916431329

Erste&Steiermärkische Bank d.d.
IBAN: HR7924020061100956851 - SWIFT: ESBCHR22
OTP banka d.d.
IBAN: HR6924070001100079982 - SWIFT: OTPVHR2X
Zagrebačka banka d.d.
IBAN: HR0823600001101909750 - SWIFT: ZABAHR2X

Temeljni kapital: 714.480.200,00 kuna
Ukupan broj izdanih dionica: 7.144.802

Nadzorni odbor:
Mohamed Ali Rashed Alabbar, predsjednik

Uprava:
Mubarak Al-Khalifa, predsjednik

discussed, with enhanced diligence, issues related to difficulties in business operations incurred to the Company due to the pandemic of the COVID 19 virus, which the entire tourism industry encountered.

The Management Board regularly reported to the Supervisory Board on all important business events, course of business, revenue and expenditures, and the state of the Company in general. The Management Board regularly submitted to the Supervisory Board business reports to which the Supervisory Board had no objections.

According to the authority established by the provisions of the Companies Act and the Company's Articles of Association, in the period from 1 January 2021 to 31 December 2021, the Supervisory Board of the Company supervised the management of the Company's business. The Supervisory Board determined that in 2021 the Company acted in accordance with the law, Company's bylaws and decisions of the Shareholders' Meeting.

The Supervisory Board in accordance with the provisions of Article 300c of the Companies Act, examined the annual financial statements of the Company and its subsidiaries for 2021 together with the opinion of the independent auditor submitted to it by the Management Board of the Company.

An integral part of the Company's annual financial statements for 2021, which were specifically examined by the Supervisory Board, are:

- Profit and loss account
- Balance sheet of the company
- Cash flow statement
- Report on changes in the company's equity
- Notes to the financial statements of the company
- Profit and loss account of the company and affiliates
- Balance sheet of the company and affiliates
- Cash flow statement of the company and affiliates
- Report on changes in the equity of the company and affiliates
- Notes to the financial statements of the company and affiliates
- Audit report

The Supervisory Board determined that the annual financial statements of the Company and its subsidiaries (consolidated statements) have been prepared in accordance with the business records of the Company and its subsidiaries and that they show the accurate financial position.

The Supervisory Board also examined the annual report of the Management Board on the state of the company for 2021 and determined that it objectively shows the current business situation and the state of the Company. Accordingly, the Supervisory Board accepted the report of the Management Board on the state of the Company for the business year 2021.

In accordance with such finding, Supervisory Board agreed with the annual financial statement for 2021 and the auditor's opinion, whereby the Management Board and the Supervisory Board, pursuant to Article 300d of the Companies Act, determined the Company's annual financial statements.

The Management Board of the Company submitted to the Supervisory Board a proposal of a decision on covering the Company's losses, with which proposal the Supervisory Board agreed.

In accordance with its obligations related to the decision on amendment to the Company's Articles of Association, the Supervisory Board from 1 January 2021 until the date of this report continuously supervised the Company's operations and examined the Company's business records and documentation and determined that the Company operates in accordance with the law, Company's Articles of Association and with other acts and decisions of the Shareholders' Meeting of the Company.

Chairman of the Supervisory Board



Mohamed Ali Rashed Alabbar

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