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**REPORT ON REMUNERATION OF MEMBERS OF THE
MANAGEMENT BOARD AND THE SUPERVISORY
BOARD FOR THE YEAR ENDED DECEMBER 31, 2020,
WITH THE INDEPENDENT AUDITOR'S LIMITED
ASSURANCE REPORT**

ZAGREB, April 30, 2021

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INDEPENDENT LIMITED ASSURANCE REPORT ON REMUNERATION REPORT FOR 2020

To the Management and Supervisory Board of Meritus ulaganja d.d.

We have been engaged by the Management Board of Meritus ulaganja d.d. ("the Company"), pursuant to the Article 272.r paragraph 3 of the Companies' Act ("the Act"), in purpose to conduct a limited assurance engagement of accompanying Remuneration report for the year ended 31 December 2020 ("the Remuneration report"), which was prepared by the Management and Supervisory Board of the Company.

Our responsibility based on our procedures and evidence obtained is to express a conclusion in form of independent limited assurance report on Remuneration report.

Subject Matter

Pursuant to Article 272.r paragraph 3 of the Act and the engagement letter concluded with the Company, we have performed limited assurance engagement of the accompanying Remuneration report for the year ended 31 December 2020 ("the Report"), which was prepared by the Management and Supervisory Board of the Company.

Applicable Criteria

Criteria applicable for determination of individuals that will be included in the Remuneration report and requests related to the disclosure of their remunerations are contained in the Article 272.r paragraph 1 and 2 of the Act.

Management's and Supervisory Board's responsibility for the Report

The Management and Supervisory Board of the Company are responsible for the following:

- preparation of the Remuneration report for year 2020 in accordance with the requirements of the Article 272.r paragraphs 1. And 2. of the Act,
- determination of individuals to be included in the Remuneration report in accordance with the requirements of the Article 272.r paragraph 1. of the Act,
- selection and application of appropriate remuneration policies, as well as for making reasonable judgments and estimates in relation to the data published in the Remuneration report,
- measurement of remunerations for the year ended 31 December 2020 in accordance with the requirements of the Article 272.r paragraphs 1. And 2. of the Act,
- publishing the Remuneration report on the Company's publicly available web pages in accordance with the requirements of the Article 272.r paragraph 4. of the Act,

Management is responsible for design, implementation, and maintenance of the internal control system that reasonably ensures that the previously described data is free from material misstatement, whether due to fraud or error. In Addition, Management and Supervisory Board of the Company are responsible to ensure completeness and accuracy of the documentation provided to us.

INDEPENDENT LIMITED ASSURANCE REPORT ON REMUNERATION REPORT FOR 2020 (CONTINUED)

Our responsibility

We conducted our limited assurance engagement in accordance with the requirements of the Article 272.r paragraph 3. of the Act and International Standard for Assurance Engagements ('ISAE') 3000 - *Assurance Engagements other than Audits or Reviews of Historical Financial Information (revised)*. This regulatory requires that we comply with ethical requirements and plan and perform our procedures to obtain limited assurance based on obtained evidence and to express our conclusion on subject matter against the applicable criteria.

Quality Control

We apply International Standard on Quality Control ('ISQC') 1 - *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements defined by the Code of Ethics for Professional Accountants (the 'IESBA Code') which set out the basic principles of integrity, objectivity, professionalism and due diligence, confidentiality, and professional behavior.

Summary of the work performed

The nature and scope of our actions were determined on the basis of risk assessment and our professional judgment with the purpose to obtain limited assurance.

In relation to subject matter, we have planned and performed, the following procedures:

- Inquiry of the Management and Supervisory Board members and other relevant personnel in the Company in order for us to obtain understanding of the remuneration policies and process and preparation of the Remuneration report;
- Comparison of remuneration paid to the Management and Supervisory Board members active during year 2020 disclosed in the Remuneration report and list of members received from the Company;
- Reconciliation of data disclosed in the Remuneration report with accounting data from the Company (general ledger and journal entry) for the year ended 31 December 2020;
- Inspection on selected sample, relevant documentation of the Company (contracts and payouts) related to the data of remuneration disclosed in the Remuneration report; and
- Comparison and inspection if Remuneration Report consist data disclosures in accordance with the requirements of Article 272.r paragraphs 1 and 2 of the Act.

The scope of limited assurance engagement is lower and differ from scope of reasonable assurance engagement regarding risk assessment procedures, including understanding of internal controls and procedures performed in response to assessed risks.

We believe that the evidence we have gathered is sufficient and appropriate to provide a basis for our conclusion.

INDEPENDENT LIMITED ASSURANCE REPORT ON REMUNERATION REPORT FOR 2020 (CONTINUED)

Conclusion with limited assurance

Based on the conducted procedures and the collected evidence, nothing drew our attention which would cause us to believe that the Remuneration report for year 2020, prepared on behalf of Meritus ulaganja d.d. in all significant determinants, does not contain all the data in accordance with requirements of Article 272.r paragraphs 1 and 2 of the Act.

Limitations

Our independent limited assurance report is intended solely for the Management Board and the Supervisory Board of the Company in purpose of reporting on Remuneration report that the Company prepared for the year ended 31 December 2020 in accordance with requirement of Article 272.r of the Act. We allow the publication of this report on the Company's web page in accordance with Article 272.r paragraph 4 of the Act. Our independent limited assurance report is not, nor is it intended to be, a legal opinion on compliance with the Article 272.r paragraph 4. of the Act.

In the event of additional information or data that were not made available to us or were not accessible to us, or erroneous or misleading oral or written representations and explanations, our findings, interpretations, or opinions in this independent limited assurance report might be incomplete, or we might end up with different results in connection to which additional or different procedures might have to be performed that do not belong in the scope of this engagement.

To the fullest extent permitted by law, we do not accept any responsibility and do not agree to any obligations to any party other than the Management and Supervisory Board of the Company in relation with our work or this independent limited assurance report or conclusions we reached.

Management and Supervisory Board of the Company are responsible for publishing the Remuneration report on the Company's web pages as well for the accuracy of presented data. The scope of our limited assurance engagement does not include observation of the following and so we do not accept any responsibility for any changes or additions which might occur in the Remuneration report based on Independent limited assurance report or any other differences between issued Report and data presented on the Company's web page.

Marina Tonžetić
Director and Certified Auditor

For signatures, please refer to the original Croatian auditor`s report, which prevails.

April 30, 2020

Deloitte d.o.o.
Radnička cesta 80,
10 000 Zagreb,
Republic of Croatia

Appendix: Report on remuneration of members of the Management Board and the Supervisory Board for 2020

Društvo upisano u sudski registar Trgovačkog suda u Zagrebu: MBS 030022053; uplaćen temeljni kapital: 44.900,00 kuna; direktori društva: Marina Tonžetić, Dražen Nimčević i Domagoj Vuković; poslovna banka: Privredna banka Zagreb d.d., Radnička cesta 50, 10 000 Zagreb, ž. račun: 2340009-1110098294; SWIFT Code: PBZGHR2X IBAN: HR3823400091110098294.

Deloitte se odnosi na Deloitte Touche Tohmatsu Limited, skraćeno DTTL, i mrežu njegovih članova i s njima povezanih subjekata (zajednički „organizacija Deloitte“). DTTL („Deloitte Global“) i svaki njegov član i njegovi povezani subjekti su pravno odvojeni i samostalni subjekti, koji se ne mogu međusobno obvezati na određene radnje u odnosu na treće strane. DTTL i svi njegovi povezani subjekti odgovorni su isključivo za vlastita, a ne međusobna, djela i propuste. Usluge klijentima ne pruža DTTL. Detaljan opis DTTL-a i njegovih članova možete pronaći na adresi www.deloitte.com/hr/o-nama.

Pursuant to the provision of Article 272r of the Companies Act (Official Gazette 111/1993, 34/1999, 121/1999, 52/2000, 118/2003, 107/2007, 146/2008, 137/2009, 125/2011, 111 / 2012, 68/2013, 110/2015, 40/2019; "**Companies Act**"), the Management Board of MERITUS ULAGANJA d.d., Zagreb, Heinzelova ulica 62/a, entered in the court register of the Commercial Court in Zagreb under the company's (court) registration number (MBS): 081210030, OIB: 62230095889 (hereinafter: "**the Company**" and/or "**Meritus ulaganja d.d.**") compiles the following

REPORT

on remuneration of members of the Management Board and the Supervisory Board for 2020

INTRODUCTION

During the last business year (2020), the following persons were, or still are, members of the Management Board and/or the Supervisory Board of the Company:

Management Board:

- i. **Darko Horvat, President of the Management Board** since May 19, 2020. He continues to hold the position. Member of the Management Board in the period from December 3, 2018, to May 18, 2020;
- ii. **Tomislav Glavaš, Member of the Management Board** since May 19, 2020. He continues to hold the position;
- iii. **Ivan Posavec, President of the Management Board** in the period from December 3, 2018, to May 18, 2020.

Supervisory Board:

- i. **Sandi Češko, Member and President of the Supervisory Board** since June 30, 2020. He continues to hold the position;
- ii. **Igor Varivoda, Deputy President of the Supervisory Board** since December 3, 2018. He continues to hold the position;
- iii. **Tamara Sardelić, Member of the Supervisory Board** since December 3, 2018. She continues to hold the position;
- iv. **Hrvoje Prpić, Member of the Supervisory Board** since July 1, 2019. He continues to hold the position;
- v. **Joško Miliša, Member of the Supervisory Board** since June 30, 2020. He continues to hold the position;
- vi. **Ulf Gartzke, Member of the Supervisory Board** since June 30, 2020. He continues to hold the position;
- vii. **Tomislav Glavaš, Member of the Supervisory Board** in the period from February 28, 2019, to May 18, 2020, when he left his position on the Supervisory Board in order to be a Member of the Management Board;
- viii. **Zvonimir Mršić, Member of the Supervisory Board** in the period from July 1, 2019, i.e., President of the Supervisory Board from July 2, 2019, to May 19, 2020;

Pursuant to the provisions of Article 272r of the Companies Act, the Management Board of the Company hereby reports that the above-mentioned members of the Management Board and the Supervisory Board of the Company were remunerated in 2020 as follows:

1. Fixed and variable parts of the remuneration of the members of the Management Board and the Supervisory Board of the Company

1.1. The Management Board of Meritus ulaganja d.d.

With the remuneration policy for members of the Management Board approved by the General Assembly of the Company on June 30, 2020, the Company places special emphasis on personal development, stimulating environment, work environment and aims to attract and retain quality and capable professionals, which, without a doubt, contributes to the business strategy and long-term development of the Company.

The amounts of remuneration paid to the members of the Management Board and the manner of determining these amounts are defined in order to motivate, promote effective risk management, and achieve the strategic goals of the Company.

Members of the Management Board are entitled to fixed remuneration defined by the Employment Agreement with the Company or an associated company of the Company, in accordance with the provisions of the law governing employment, other regulations, and internal acts of the Company.

In addition to the fixed part of remuneration, members of the Management Board are also entitled to a variable part of remuneration, i.e., bonuses, which are determined and paid in accordance with the decision of the Supervisory Board and criteria defined by the Supervisory Board. The payment of the variable part of the remuneration of the members of the Management Board, i.e., bonuses, is generally paid by allocating the Company's own shares according to their market value, whereby the basis for the payment of bonuses is the realization of at least 90% of planned EBITDA. The Supervisory Board is responsible for determining whether all conditions and preconditions for the payment of bonuses to a certain member of the Management Board are met, and provided that a certain member of the Management Board has earned the right to bonus payment, the Supervisory Board determines how many shares a certain member of the Management Board is entitled to. This procedure aims to ensure that the bonuses of the members of the Management Board are balanced, sustainable, and transparent. In addition, the aim is to motivate and retain qualified members of the Management Board and promote good and effective risk management and discourage members of the Management Board from assuming risks that exceed the level of acceptable risk.

Following the above, in 2020, the members of the Management Board were paid the following remuneration in gross (I) amounts:

REMUNERATION OF MANAGEMENT BOARD MEMBERS IN 2020						
Member	Fixed remuneration	%	Variable remuneration	%	Total	%
Darko Horvat	HRK 290,708.13	100%	HRK 0,00	0%	HRK 290,708.13	100%
Tomislav Glavaš	HRK 311,621.80	100%	HRK 0,00	0%	HRK 311,621.80	100%
Ivan Posavec	HRK 112,144.82	100%	HRK 0,00	0%	HRK 112,144.82	100%

In addition to the above, the Company or its affiliates paid other payments to the following members of the Management Board during 2020:

- a subsidiary of the Company, Meritus Plus d.o.o., approved and made available a loan amounting to HRK 188,474.30 to **Tomislav Glavaš** in December 2020.
- a subsidiary of the Company, Meritus Upravljanje d.o.o., approved and made available a loan in the amount of HRK 10,000.00 to **Darko Horvat**, and the subsidiary of the Company, Meritus Plus d.o.o., approved and made available to Darko Horvat a loan in the amount of HRK 50,000.00.

1. Fixed and variable parts of remuneration of members of the Management Board and the Supervisory Board of the Company (continued)

1.2. The Supervisory Board of Meritus ulaganja d.d.

Remuneration is paid to the members of the Supervisory Board in accordance with the decision of the General Assembly of June 30, 2020, which in addition to the amounts provided for payment, also defines the dynamics of payment, and approves the payment of compensation for the business year 2019 and for future periods until a different decision of the Assembly of the Company.

The remuneration policy of the members of the Supervisory Board, approved by the General Assembly of the Company on June 30, 2020, is based on the principle of engaging, motivating, and retaining qualified persons in the Supervisory Board.

The policy contributes to the business strategy and long-term development of the Company by ensuring balanced, sustainable, and transparent remuneration to the members of the Supervisory Board, which undoubtedly significantly contributes to maintaining the long-term strategy and development of the Company.

The remuneration paid to the members of the Supervisory Board does not include variable elements or other elements related to business performance. It is paid in a monthly lump sum and no remuneration in shares is envisaged.

Following the above, in 2020, the members of the Supervisory Board were paid the following remuneration in gross (I) amounts:

REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD IN 2020		
Member	Fixed remuneration	Note
Sandi Češko	HRK 25,166.67	
Igor Varivoda	HRK 0.00	He waived his right to compensation as a member of the Supervisory Board for 2019, 2020, as well as future periods until the revocation of the Statement on resignation or termination of membership in the Supervisory Board.
Tamara Sardelić	HRK 55,000.00	She waived her right to compensation as a member of the Supervisory Board for 2019.
Hrvoje Prpić	HRK 85,000.00	Of the total amount, HRK 30,000.00 refers to the payment of compensation for the business year 2019.
Joško Miliša	HRK 25,166.67	
Ulf Gartzke	HRK 25,166.67	
Tomislav Glavaš	HRK 0.00	He waived his right to compensation as a member of the Supervisory Board for the period from February 28, 2019, until May 18, 2020, the date when he stopped being a member of the Supervisory Board.
Zvonimir Mršić	HRK 0.00	He waived his right to compensation as a member of the Supervisory Board for the period from July 1, 2019, until May 19, 2020, the date when he stopped being a member of the Supervisory Board.
TOTAL	HRK 215,500.01	

1. Fixed and variable parts of remuneration of members of the Management Board and the Supervisory Board of the Company (continued)

1.2. The Supervisory Board of Meritus ulaganja d.d. (continued)

In addition to the above, the Company or its affiliates paid other payments to the following members of the Supervisory Board during 2020:

- In January 2018, **Igor Varivoda**, Deputy President of the Supervisory Board, entered into an Agreement on the provision of consulting services with the Company's subsidiary, Meritus Plus d.o.o., where he was paid fees in the gross amount of HRK 517,202.36 based on the said Agreement for 2020. In January 2020, he entered into an Agreement on the sale and transfer of business shares of Meritus Plus d.o.o. with the subsidiary of the Company, Meritus Upravljanje d.o.o., where, based on the Agreement in 2020, he was paid a gross amount of HRK 14,872,612.00.
- In December 2017, **Tamara Sardelić**, a Member of the Supervisory Board, entered into a Legal services agreement with the Company's subsidiary, Meritus Plus d.o.o., where she was paid a fee in the gross amount of HRK 79,500.00 for 2020, based on the said Agreement.
- on the basis of regular income arising from employment for the period from January 1, 2020, to May 18, 2020, the date when he stopped being a member of the Supervisory Board, **Tomislav Glavaš**, former Member of the Supervisory Board - employee representative, was paid by the Company in the gross (I) amount of HRK 160,143.55. A subsidiary of the Company, Meritus Plus d.o.o., approved and made available a loan amounting to HRK 140,000.00 to Tomislav Glavaš in January 2020.
- **Zvonimir Mršić**, former Member and President of the Supervisory Board, entered into an Agreement on the provision of consulting services with the Company's subsidiary, Meritus Upravljanje d.o.o., in May 2019, where, based on the said Agreement for the period from January 1, 2020, to May 19, 2020 he was paid a fee in the gross amount of HRK 346,811.61.

2. Comparative presentation of annual changes in remuneration, revenues, i.e., profits of the Company and average remuneration of full-time employees for the last five business years

Considering the fact that the Company has been operating for less than five years, and that the first Remuneration Policy of the Management Board and the Supervisory Board was adopted by the Company in mid-2020, the data as provided for this item of the Report are not presented - due to the above objective circumstances.

3. Number of shares and stock options given or undertaken to be given by the Company to members of the Management Board and the Supervisory Board of the Company

In the previous business year, the Company did not give or undertake to give any member of the Management Board or the Supervisory Board of the Company shares or stock options.

4. Return of variable parts of remuneration

In the previous business year, the Company did not request the return of variable parts of remuneration.

5. Deviation from the remuneration policy in accordance with the provisions of the Companies Act

In the previous business year, and from June 30, 2020, when the Company adopted the remuneration policies, the Company did not deviate from the remuneration policy.

6. Remuneration that the Company and/or a third party undertook to pay in case of regular and/or early termination of membership

In the business year 2020:

1. there was no remuneration paid or undertaken to be paid to a member of the Management Board by a third party in connection with the activities he/she performed as a member of the Management Board;
2. The Company has not undertaken to pay any remuneration to the members of the Management Board in case of early termination of membership in the Management Board;
3. The Company has not undertaken to pay any cash value to a member of the Management Board in the event of regular termination of membership in the Management Board;

During the last business year, the membership in the Management Board of the former Member of the Management Board, Ivan Posavec, ended on May 18, 2020, but the Company did not pay or undertake to pay any amounts on this basis, except for regular salaries and proportional salary until termination of employment and membership in the Management Board, within the deadlines and in the manner provided by his Employment contract.

7. Final provisions

On June 30, 2020, the General Assembly of the Company passed the Decision on the approval of the remuneration policy, which the Company published together with the remuneration policies on the same day and made available on the Company's website free of charge.

On the same day, June 30, 2020, the General Assembly of the Company approved the Report on remuneration for 2019 together with the report of the certified auditor, which the Company published in accordance with the Companies Act on the same day and made available on the Company's website.

The remuneration report for 2020 will be prepared for the General Assembly of the Company, which is scheduled for June 2021.

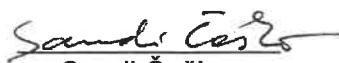


Darko Horvat,
President of the Management Board



Tomislav Glavaš,
Member of the Management Board

Investus ulaganja d.d.
Zagreb



Sandi Češko,
President of the Supervisory Board