



**GENERAL ASSEMBLY**

No. GS-1-3-2021  
Koprivnica, 29<sup>th</sup> June 2021

Pursuant to Article 275 of the Companies Act (Official Gazette No. 152/11-full text, 111/12, 68/13, 110/15 and 40/19), the General Assembly of PODRAVKA Inc. held on 29<sup>th</sup> June 2021 passed the following

**RESOLUTION**  
**on distribution of the profit of PODRAVKA Inc. for the year 2020**

I

It is determined that net profit of PODRAVKA Inc., M.B. 03454088, PIN 18928523252 (hereinafter: the Company) for the year 2020 stated in the audited annual financial statements of the Company, amounts HRK 193.832.036,11.

II

The net profit of the Company for year 2020 from item I of this Decision shall be allocated as follows:  
- legal reserves in the amount of HRK 9.691.601,81.

III

It is approved that dividend to shareholders of the Company, owners of ordinary shares under the ticker PODR-R-A, shall be paid out in the gross amount of HRK 9.00 (nine kunas) per share. Dividend shall be paid out to all shareholders that are registered as shareholders at the Central Depository & Clearing Company Inc. on July 29<sup>th</sup> 2021 (record date). Date on which securities of the Company will be traded without dividend payment right is July 28<sup>th</sup> 2021 (ex date). Dividend payment claim will be due on August 27<sup>th</sup> 2021 (payment date).

IV

After the net profit of the Company is being allocated according to items II and III of this Decision, the last part of net profit shall be transferred to other reserves. Accounted amount of dividend for treasury shares of the Company shall be allocated to retained earnings of the Company.

V

This Resolution comes to force as of the date it is passed.

President of the  
General Assembly

Hrvoje Markovinović  
signed



**GENERAL ASSEMBLY**

No. GS-1-4-2021  
Koprivnica, 29<sup>th</sup> June 2021

Pursuant to Article 275 of the Companies Act (Official Gazette No. 152/11-full text, 111/12, 68/13, 110/15 and 40/19), the General Assembly of PODRAVKA Inc. (hereinafter: "Company") held on 29<sup>th</sup> April 2021 passed the following

**RESOLUTION**  
**on discharging the Company Management Board president and members**  
**for the year 2020**

I

Discharge is given to the president and members of the Company Management Board in respect of their duties carried out in managing the Company in the year 2020.

II

This Resolution comes to force as of the date it is passed.

President of the  
General Assembly

Hrvoje Markovinović  
signed



**GENERAL ASSEMBLY**

No. GS-1-5-2021  
Koprivnica, 29<sup>th</sup> June 2021

Pursuant to Article 275 of the Companies Act (Official Gazette No. 152/11-full text, 111/12, 68/13, 110/15 and 40/19), the General Assembly of PODRAVKA Inc. (hereinafter: "Company") held on 29<sup>th</sup> June 2021 passed the following

**RESOLUTION**  
**on discharging the Company Supervisory Board president and members**  
**for the year 2020**

I

Discharge is given to the president and members of the Company Supervisory Board by which their duties and supervision over managing Company business in the year 2020 have been approved.

II

This Resolution comes to force as of the date it is passed.

President of the  
General Assembly

Hrvoje Markovinović  
signed



**GENERAL ASSEMBLY**

No. GS-1-6-2021  
Koprivnica, 29<sup>th</sup> June 2021

Pursuant to Article 275 of the Companies Act (Official Gazette No. 152/11-full text, 111/12, 68/13, 110/15 and 40/19), the General Assembly of PODRAVKA Inc. held on 29<sup>th</sup> June 2021 passed the following

**RESOLUTION  
on election  
the Supervisory Board member of PODRAVKA Inc.**

I

It is determined that term of office of the Supervisory Board member of PODRAVKA Inc. Ms Ivana Matovina from Sesvete, Ulica mačuhica 27, OIB: 29131784236 is expired of 29<sup>th</sup> June, 2021.

II

Mr Ivan Ostojić from Zagreb, Zavrtnica 28, OIB: 56672705385 is elected as member of the Supervisory Board of PODRAVKA Inc.

III

Supervisory Board member of PODRAVKA Inc. stated under item II of this Resolution is elected to a 4-year term, as of 30<sup>th</sup> June 2021.

IV

This Resolution comes to force as of the date it is passed.

President of the  
General Assembly

Hrvoje Markovinović  
signed



**GENERAL ASSEMBLY**

No. GS-1-7-2021  
Koprivnica, 29<sup>th</sup> June 2021

Pursuant to Article 65 par. 2 and 4 the Audit Act (Official Gazette No. 127/17) and Article 275 of the Companies Act (Official Gazette No. 152/11-full text, 111/12, 68/13, 110/15 and 40/19), the General Assembly of PODRAVKA Inc. held on 29<sup>th</sup> June 2021 passed the following

**RESOLUTION  
on appointing a member of the Audit Committee**

I

It is determined that term of office of the Audit Committee president and Supervisory Board member of PODRAVKA Inc. Ms Ivana Matovina from Sesvete, Ulica maćuhica 27, PIN: 29131784236 expires on 29<sup>th</sup> June, 2021.

II

Ms Ivana Matovina from Sesvete, Ulica maćuhica 27, PIN: 29131784236, as an expert in the field of accounting and auditing is appointed as member of the Company Audit Committee.

III

Audit Committee member stated under item II of this Resolution is appointed to a 4-year term, as of 30<sup>th</sup> June 2021.

IV

This Resolution comes to force as of the date it is passed.

President of the  
General Assembly

Hrvoje Markovinović  
signed



**GENERAL ASSEMBLY**

No. GS-1-8-2021  
Koprivnica, 29<sup>th</sup> June 2021

Pursuant to Articles 247.a, 275 and 276.a of the Companies Act (Official Gazette No. 152/11-full text, 111/12, 68/13, 110/15 and 40/19), the General Assembly of PODRAVKA Inc. (hereinafter: "Company") held on 29<sup>th</sup> June 2021 passed the following

**RESOLUTION  
on approving the Remuneration Policy**

I

The Remuneration Policy is approved, which is attached to this Resolution and makes its integral part.

II

This Resolution comes to force as of the date it is passed.

President of the  
General Assembly

Hrvoje Markovinović  
signed

**ANNEX:  
The Remuneration Policy**



SUPERVISORY BOARD

No: NO-30-1-2021.  
Koprivnica, 19 May 2021

Pursuant to Article 247.a, paragraph 1 of the Companies Act (OG 111/1993, 34/1999, 121/1999, 52/2000, 118/2003, 107/2007, 146/2008, 137/2009, 111/2012, 125/2011, 68/2013, 110/2015 and 40/2019, hereinafter: **the Act**), Article 27 of the Articles of Association of PODRAVKA prehrambena industrija, d.d., with its registered office in Koprivnica, Ante Starčevića 32, OIB: 18928523252 (hereinafter: **PODRAVKA d.d.** or **the Company**) and Article 4 of the Rules of Procedure of the Supervisory Board of PODRAVKA d.d., the Supervisory Board of PODRAVKA d.d. at the 30<sup>th</sup> meeting of the Supervisory Board held on 19 May 2021 determined the following:

## REMUNERATION POLICY

### 1. INTRODUCTION

PODRAVKA prehrambena industrija d.d., Koprivnica is one of the leading companies in the industry in which it operates in Southeast, Central and Eastern Europe.

The main business activity is the production of a wide range of food products.

The remuneration policy is intended to attract and retain quality experts who will achieve the set strategic goals of the Company through balancing the interests of shareholders and other key stakeholders. The activities of the members of the Management Board must be aimed at achieving those strategic goals which improve the Company and protect and ensure its long-term sustainable value.

The total remuneration of the members of the Management Board is designed in a way that ensures competitiveness and encourages interest in the position of a member of the Company's Management Board of an appropriate high-quality profile of experts with the required abilities, skills and experience.

Accordingly, the total remuneration of members of the Management Board is related to the work of members of the Management Board in the Company: the implementation of strategic goals that improve and maintain the operations of the Company and its related companies and the creation of sustainable long-term value. The achievements of the short-term and long-term business plan are monitored and rewarded through the achieved business results and the development of the Company and its related companies.

The Management Board of the Company may establish the principles and grounds set out in this Remuneration Policy with respect to variable remuneration also for the Company's management below the Management Board level, with the supervision and compliance with the recommendations of the Remuneration Committee and the Supervisory Board.

### 2. ALL FIXED AND VARIABLE PARTS OF REMUNERATION AND THEIR SHARES IN TOTAL REMUNERATION

Remuneration of members of the Management Board consists of:

- fixed remuneration;
- variable remuneration;
- other receipts and benefits.

The remuneration policy seeks to enable a competitive level of remuneration in all elements. For this purpose, the amount of remuneration on the market realized by companies of similar size, complexity and industry in which the Company operates and the region in which the Company operates is used.

#### 2.1. Fixed remuneration

PODRAVKA Inc., Koprivnica, Ante Starčevića 32, The Commercial Court in Bjelovar, CRN: 010006549, PIN: 18928523252.  
Privredna banka Zagreb P.L.C., Zagreb, Radnička cesta 50, IBAN: HR94 2340 0091 1000 9852 6, share capital: HRK 1,566,400,660.00,  
paid in full, total number of shares issued: 7,120,003, nominal share value: HRK 220.00, President of the Supervisory Board: Ž. Vukina,  
President of the Management Board: M. Dalić, members of the Management Board: D. Doko, H. Kolaric, Lj. Šapina, M. Đerek



#### SUPERVISORY BOARD

The fixed remuneration of members of the Management Board consists of the base monthly salary expressed in gross amount.

The base monthly salary is determined in the gross cash amount, determined in line with the market conditions of comparable companies and harmonized with the remuneration policy for the levels below the Management Board. The individual amounts of the fixed salary of the members of the Management Board also reflect the area of their competence in the Management Board and are determined in absolute amount.

## 2.2. Variable remuneration

Variable remuneration represents bonus salaries and the right to purchase a certain number of the Company's shares.

Variable remuneration is conditioned by the criteria for payment in a way that rewards operations by which the sustainable development of the Company is achieved. Together with fixed remuneration, it encourages the Management Board to conduct the Company's operations in a responsible manner, with the aim that the Company continues to develop in a sustainable and innovative manner and create new value.

The amount of variable remuneration related to bonus salaries depends on the achievement of pre-defined goals in the business year, expressed by certain key performance indicators, and determined by the Supervisory Board; it amounts to a maximum of 100% of the annual gross salary.

The part of remuneration that can be realized by granting the option to purchase the Company's shares under the prescribed conditions directly encourages motivation to achieve not only short-term but also long-term goals of the Company, and to achieve the strategy of profitable growth and sustainable business development, as it affects the stability and growth of the share price, i.e. the value of the Company for shareholders, employees and other stakeholders.

The right to the share option means that a member of the Management Board has the right to purchase a certain number of shares from the Company at a price determined as the price equal to the weighted average price of the Company's shares on the Zagreb Stock Exchange in the year to which the option relates (exercise price).

### 2.2.1. Criteria for payment

At the proposal of the Remuneration Committee, the Supervisory Board defines the standards and criteria for each business year based on the Business Plan, the realization of which gives the right to the payment of a variable part of the salary. These criteria must be derived from the annual business and development plan and support its achievement.

For each business year, the Supervisory Board determines whether the criteria for the payment of the variable part of the salary have been met. The Supervisory Board entrusts the analysis of whether these criteria have been met and the preparation of the draft decision to the Remuneration Committee.

The number of options for purchasing shares of the Company to which a member of the Management Board is entitled is determined by a decision of the Supervisory Board, where the exact number may depend on performance criteria in achieving business goals.

### 2.2.2. Manner and time of payment

The decision on fulfilling the criteria for payment of variable remuneration and exercising the right to variable remuneration is made by the Supervisory Board of the Company on the basis of the annual audited financial statements of the Podravka Group.



#### SUPERVISORY BOARD

The right to the option to purchase shares of the Company may be exercised after the expiration of at least two, and at most five years from the year to which the share option relates, depending on the decision of the Supervisory Board of the Company. The share price at which a member of the Management Board has the option to purchase shares from the Company is determined as the price equal to the weighted average price of the Company's share on the Zagreb Stock Exchange in the year to which the share purchase option relates (exercise price). In the event of termination of the term of office, a member of the Management Board may be required to exercise all previously acquired share options within a period of up to three years from the date of termination of the term of office.

All taxes, surtaxes, contributions and/or other public dues that are charged when exercising the right to purchase shares and/or are a consequence thereof shall be borne by the member of the Management Board.

#### 2.2.3. Restrictions, deferral of payment and refund of variable part of remuneration

If the term of office of a member of the Management Board is terminated by a decision of the Supervisory Board due to a reason for which the member of the Management Board is responsible (misconduct), the member of the Management Board is not entitled to unpaid variable remuneration.

If a member of the Management Board violates the obligation to comply with the prohibition of competition during the term of the contract on performing the duties of a member of the Management Board or the obligation to keep trade secrets, he/she is not entitled to variable remuneration unpaid until the date of the termination of the term of office.

The Supervisory Board may, by its decision or the performance agreement with a member of the Management Board, stipulate that if a member of the Management Board violates the obligation to comply with the prohibition of competition or the obligation to keep trade secrets, or if the term of office of a member of the Management Board ends due to his/her misconduct, the member of the Management Board thereby loses all rights to all unexercised options to purchase the Company's shares.

A member of the Management Board has no obligation to retain the Company's shares after acquiring them by exercising the right to purchase shares.

#### 2.3. Other receipts

In addition to the amount of fixed and variable remuneration, members of the Management Board are entitled to other benefits and receipts.

This type of remuneration contributes to more efficient and simpler operations of the Company, it encourages the development of professional skills and further education of members of the Management Board and provides them with additional personal development, additional security and stability.

Members of the Management Board are entitled to use the Company's vehicle for business and private purposes, and all maintenance and use costs are paid by the Company.

For members of the Management Board, the Company concludes life insurance contracts with a savings component and the possibility of taking over the life insurance policy after the termination of employment in the Company, whereby the rights from the policy belong to the Management Board member, and he/she continues to pay the premium. In addition, the Company concludes contracts for members of the Management Board on accident insurance and D&O insurance, and on the basis of these concluded policies the Company pays the premium to the insurer. In addition, the Company promotes the health care of members of the Management Board by offering physical examinations



#### SUPERVISORY BOARD

in reputable institutions and by contracting supplementary and complementary health insurance policies.

### 3. CONTRACT WITH THE PRESIDENT AND MEMBERS OF THE MANAGEMENT BOARD

#### 3.1. Duration and termination of the contract

The contract is concluded for the duration of the term of office of an individual member of the Management Board determined by a decision of the Supervisory Board.

The contract is terminated by fulfilling the preconditions determined by law and the contract: upon expiration of the time period for which it was concluded, termination or dismissal.

Notice periods are determined by the performance agreements of members of the Management Board.

#### 3.2. Severance pay

A member of the Management Board who has ceased to hold this position may be offered to remain in the Company on appropriate jobs.

If the former member of the Management Board does not accept such an offer, he/she is entitled to severance pay in the amount of 12 gross fixed monthly salaries. From this amount the Company will calculate and pay taxes and public dues and pay out the net amount.

In case of resignation and termination of the employment contract with the Company, a member of the Management Board is entitled to severance pay depending on the duration of the term of office: for less than 12 months in office to one half of the gross salary, and for more than 12 months in office to one gross salary.

In the event that the regulations and contractual provisions on the removal of a member of the Management Board do not apply, and the Supervisory Board unilaterally terminates the contract, the member of the Management Board is entitled to severance pay in the amount of 12 gross salaries.

A member of the Management Board is entitled to severance pay in the amount of 12 gross salaries in the event of injury, disability, illness or the like, which leads to the termination of the duties of a member of the Management Board.

A member of the Management Board is not entitled to severance pay if the reason for termination of the contract was misconduct, or the removal due to an important reason in terms of the provisions of the Companies Act.

If the Company within one year from the termination of employment of a member of the Management Board finds that a member of the Management Board has violated the obligation to comply with the contractual prohibition of competition or the obligation to keep trade secrets, the Company has the right to demand a refund of the severance pay together with default interest.

#### 3.3. Pension and health insurance

The Company calculates and pays contributions for mandatory pension and health insurance from fixed remuneration of members of the Management Board and has no obligation to purchase additional pensionable service for a member of the Management Board if he/she retires early after the termination of his/her term of office.

The Company may pay a contractually determined monthly gross amount to a voluntary pension fund of choice for a member of the Management Board.

PODRAVKA Inc., Koprivnica, Ante Starčevića 32, The Commercial Court in Bjelovar, CRN: 010006549, PIN: 18928523252,  
Privredna banka Zagreb P L C., Zagreb, Radnička cesta 50, IBAN: HR94 2340 0091 1000 9852 6, share capital: HRK 1.566.400.660,00,  
paid in full, total number of shares issued: 7,120,003, nominal share value: HRK 220,00, President of the Supervisory Board: Ž. Vukina,  
President of the Management Board: M. Dalić, members of the Management Board: D. Đoko, H. Kolanc, Lj. Šapina, M. Đerek



#### SUPERVISORY BOARD

#### 4. CONFLICT OF INTEREST

Members of the Management Board are bound by the provisions of the Companies Act relating to the conflict of interest.

In its operations, the Company applies the Corporate Governance Codes of the Zagreb Stock Exchange d.d. and HANFA.

In its operations, the Company has adopted the Conflict of Interest Management Policy, which also applies to members of the Management Board.

The contracts of the members of the Management Board contain provisions on the prohibition of competition and the contractual prohibition of competition with the Company after termination of employment.

The contracts of the members of the Management Board contain provisions restricting the participation of members of the Management Board in other companies, both in membership and in bodies of other companies.

The contracts of the members of the Management Board contain provisions on keeping trade secrets.

#### 5. ADOPTION OF REMUNERATION POLICY

The Remuneration Committee makes a recommendation to the Supervisory Board regarding the Remuneration Policy for members of the Management Board at least every two years.

After consulting with the President of the Management Board, the Remuneration Committee will annually make recommendations to the Supervisory Board regarding the remuneration of members of the Management Board based on the assessment of the Company's results and personal results of individual members of the Management Board.

The Supervisory Board considers these recommendations and determines the Remuneration Policy for members of the Management Board, which it sends to the General Assembly for approval at least every four years.

The Remuneration Committee continuously monitors the content and implementation of the Remuneration Policy and regularly reports to the Supervisory Board once a year. Also, the Remuneration Committee monitors the preparation of the prescribed mandatory annual remuneration report.

The Supervisory Board may temporarily deviate in all parts from the remuneration policy if this is necessarily required for the long-term prosperity of the Company, in accordance with the procedure determined by the decision of the Supervisory Board.

#### 6. REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD

Members of the Supervisory Board receive a compensation for their work in accordance with a special decision of the Company's General Assembly. The amount of the compensation is determined by the General Assembly in that decision.

The Company has been applying the decision on remuneration of members of the Supervisory Board of the Company from 25 September 1997.

All taxes, surtaxes, contributions and/or other dues are deducted by the Company from the gross amount of the compensation.

In addition to the compensation for work, the Company pays all travel expenses incurred as a result of their work to the members of the Supervisory Board.



SUPERVISORY BOARD

## 7. FINAL PROVISIONS

This Remuneration Policy is set for a period of four years, from 2021 to 2024.

The Remuneration Policy enters into force on the day it is approved by the General Assembly of the Company.

The decision of the General Assembly and the Remuneration Policy are published and made available free of charge for a period of ten years, immediately after the General Assembly meeting, on the Company's website.

President of the Supervisory Board:

Želimir Vukina, v.r.



GENERAL ASSEMBLY

No. GS-1-9-2021  
Koprivnica, 29<sup>th</sup> June 2021

Pursuant to Articles 272.r, 275 and 276.a of the Companies Act (Official Gazette No. 152/11-full text, 111/12, 68/13, 110/15 and 40/19), the General Assembly of PODRAVKA Inc. (hereinafter: "Company") held on 29<sup>th</sup> June 2021 passed the following

**RESOLUTION**  
**on approving the Remuneration Report**  
**for Management Board and Supervisory Board members in the year 2020**

I

The Remuneration Report of the Company Management and Supervisory Board members in the year 2020 is approved, which is attached to this Decision and makes its integral part.

II

This Resolution comes to force as of the date it is passed.

President of the  
General Assembly

Hrvoje Markovinić  
signed

**ANNEX:**

**The Remuneration Report of the Company Management and Supervisory Board members in the year 2020**

PODRAVKA Inc, Koprivnica, Ante Starčevića 32, The Commercial Court in Bjelovar, CRN: 010006549, PIN: 18928523252  
Privredna banka Zagreb P.L.C., Zagreb, Radnička cesta 50, IBAN: HR94 2340 0091 1000 9852 6, share capital: HRK 1,566,400,660.00,  
paid in full, total number of shares issued: 7,120,003, nominal share value: HRK 220.00, President of the Supervisory Board: Ž. Vukina,  
President of the Management Board: M. Dalić, members of the Management Board: D. Doko, H. Kolarić, Lj. Šapina, M. Đerek

**PODRAVKA d.d.**

**SUPERVISORY BOARD AND MANAGEMENT BOARD  
REMUNERATION REPORT FOR 2020**



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## Independent limited assurance report on Remuneration Report for the year 2020

To the Management board and Supervisory board of Podravka d.d.

We have been engaged by the Management board of Podravka d.d. ("the Company"), in order to perform, on the basis of the provisions of Article 272r, paragraph 3 of the Companies Act, an engagement expressing a limited assurance on the attached Remuneration Report for the year ended 31 December 2020 ("Remuneration Report") prepared by the Company's Management board and Supervisory board.

Our task, based on the procedures performed and the evidence gathered, is to express a conclusion in the form of an independent report expressing a limited assurance on the examination of the Remuneration Report.

### *Underlying Subject Matter and Applicable Criteria*

The limited assurance engagement relates to the following subject matter on which the following applicable criteria are applied:

- Remuneration Report prepared by the Company for the year ended 31 December 2020 contains data in accordance with the Article 272r, paragraphs 1 and 2 of the Companies Act.

The applicable reporting criteria for identifying the individuals to be included in the Remuneration Report and the disclosure requirements of their remuneration are contained in the provisions of Article 272r, paragraphs 1 and 2 of the Companies Act.

### *Management board and Supervisory board Responsibilities*

The Company's Management board and Supervisory board are responsible for:

- preparing the Remuneration Report for the year 2020 in accordance with the disclosure requirements of Article 272r, paragraphs 1 and 2 of the Companies Act,
- identifying the individuals to be included in the Remuneration Report in accordance with Article 272r, paragraph 1 of the Companies Act,
- selecting and applying appropriate remuneration policies as well as making judgments and estimates that are reasonable in relation to the data disclosed in the Remuneration Report,
- measurement of remunerations for the year ended 31 December 2020 in accordance with the provisions of Article 272r, paragraphs 1 and 2 of the Companies Act, and
- publishing the Remuneration Report on the Company's website in accordance with the provisions of Article 272r, paragraph 4 of the Companies Act.

The Company's Management board and Supervisory board are responsible for the design, implementation and maintenance of the internal control system which reasonably ensures that the previously described data do not contain material errors, whether due to fraud or error. In addition, the Company's Management board and Supervisory board are responsible for ensuring that the documentation provided to us is complete and accurate.







In accordance with Article 272r of the Companies Act and the provisions of the Corporate Governance Code of the Zagreb Stock Exchange and HANFA, the Management Board and the Supervisory Board of PODRAVKA Inc. (hereinafter referred to as the "Company") submit to the General Assembly of the Company the following

## **SUPERVISORY BOARD AND MANAGEMENT BOARD REMUNERATION REPORT FOR 2020**

### **1. Introduction**

PODRAVKA Inc. was registered in 1993 as a joint-stock company. The Company's shares have been listed on the Prime Market of the Zagreb Stock Exchange.

The bodies of PODRAVKA Inc. are the Management Board, the Supervisory Board and the General Assembly, as determined by the Company's Articles of Association.

In accordance with the provisions of the Articles of Association, the Management Board consists of three to six members appointed by the Supervisory Board. The Management Board is appointed for a period determined by the Supervisory Board, but for a maximum of five years with the possibility of reappointment. The Supervisory Board of the Company has nine members, eight of whom are elected by the shareholders at the General Assembly, while one member of the Supervisory Board is appointed by the Workers' Council of the Company. Members of the Supervisory Board are elected for a term of four years.

The reward system for the Supervisory Board and the Management Board of PODRAVKA Inc. is determined by the internal acts of the Company.

This Report is presented in Croatian Kuna (HRK) and is based on effective internal documents of the Company.

### **2. Remuneration of the members of the Supervisory Board**

The Supervisory Board of PODRAVKA Inc. has nine members.

During 2020, from 1 January to 31 December 2020, members of the Supervisory Board were as follows:

- Želimir Vukina, President of the Supervisory Board,
- Luka Burilović, Vice-President of the Supervisory Board,
- Marina Dabić, member,
- Ksenija Horvat, member,
- Tomislav Kitonić, member,
- Ivana Matovina, member,
- Petar Miladin, member,
- Dajana Milodanović, member,
- Krunoslav Vitelj, member



Each member of the Supervisory Board is entitled to a fixed monthly gross compensation from the date of their appointment to the Supervisory Board until the date their status of a member ceases.

The Supervisory Board remuneration does not depend on the Company's results and does not contain a variable part of the remuneration.

Members of the Supervisory Board have received remuneration for their work and are entitled to remuneration that is appropriate to the scope of their engagement and the tasks they perform, as well as the position and results of the Company's operations.

Pursuant to the Decision of the Company's General Assembly of 25 September 1997, the remuneration of the members of the Supervisory Board is determined according to the position they hold in the Supervisory Board in relation to the average gross salary of the PODRAVKA concern employees paid in the previous month.

Thus, the members of the Supervisory Board are entitled to a monthly compensation in the amount of 2 (two) average monthly gross salaries paid to an employee of the PODRAVKA concern in the previous month. This remuneration is increased for the President of the Supervisory Board by 50%, and for the Vice-President of the Supervisory Board by 30%.

Members of the Supervisory Board are also entitled to reimbursement of expenses and costs incurred in performing the tasks of the Supervisory Board, in accordance with the regulations applicable to employees of the Company.

Members of the Supervisory Board are not entitled to severance pay, additional payments by the Company or its related parties, or the allocation of the Company's shares.

Consequently, in 2020, the members of the Supervisory Board were paid remuneration in the following gross amounts:

Name and surname	Position	Gross remuneration of Supervisory Board members in 2020 in HRK
Želimir Vukina	President of SB	306,968
Luka Buričević	Vice-President of SB	266,039
Marina Dabić	Member of SB	204,645
Ksenija Horvat	Member of SB	204,645
Tomislav Kitonić	Member of SB	204,645
Ivana Matovina	Member of SB	204,645
Petar Miladin	Member of SB	204,645
Dajana Milodanović	Member of SB	204,645
Krunoslav Vitej	Member of SB	204,645

Remuneration in the following gross amounts was paid to a current member of the Supervisory Board for membership in the Supervisory Board of a subsidiary and to a former member of the Supervisory Board for membership in the Supervisory Board of a subsidiary:



Name and surname	Position	Gross remuneration in 2020
Petar Vlaić*	Former member of SB	92,440
Petar Miladin**	Member of SB	37,202

\* Member of the Supervisory Board of the subsidiary Žito d.o.o. Ljubljana

\*\* Member of the Supervisory Board of Podravka Inc. Petar Miladin is also a member of the Supervisory Board of the subsidiary Belupo Inc. Koprivnica; the total gross receipts from remuneration in both Supervisory Boards amount to HRK 241,848.

Apart from the above, the Company or its related parties have not made any other payments.

### 3. Remuneration of the members of the Management Board

The Management Board of PODRAVKA Inc. has five members.

During 2020, from 1 January to 31 December 2020, the members of the Management Board were as follows:

- Marin Pucar, President of the Management Board,
- Davor Doko, member,
- Hrvoje Kolarić, member,
- Ljiljana Šapina, member,
- Marko Đerek, member.

The Management Board remunerations are intended to attract and retain quality managers who will achieve the set strategic goals of the Company through balancing the interests of shareholders and other key stakeholders. The activities of the Management Board members must be aimed at achieving those strategic goals which improve the Company and protect and ensure its long-term sustainable value.

The structure of Management Board remuneration is determined by the Performance agreement and the employment contract and forms a balance between variable and fixed remuneration, where the fixed part is determined in gross amount, while the variable part of remuneration is related to performance.

The amount of the annual bonus is determined according to the performance agreement of a member of the Management Board and is related to the achievement of key performance indicators (hereinafter: KPIs). For 2020, KPIs are largely based (weight in the total bonus of 80%) on the realized net profit of the Podravka Group, with key performance indicators for the President of the Management Board and the member of the Management Board for finance being determined according to the realization of the Podravka Group's planned net profit. For other members of the Management Board they are determined according to the realization of the planned net profit of the Podravka Group in 40% and the planned net profit of the Strategic business unit (SBU) Food in 60% for the member of the Management Board for supply chain and the member of the Management Board for sales and marketing, and according to the realization of the planned net profit of the Podravka Group in 40% and the planned net profit of the SBU Pharmaceuticals in 60% for the member of the Management Board in charge of the SBU Pharmaceuticals.

In the second part (weight in the total bonus of 20%) KPIs are based on individual achievements of the President and members of the Management Board according to the Supervisory Board assessment, taking into account the increase in operating income, EBITDA and net profit compared to the same indicators in the previous year, the implementation of the Company's strategic projects, agreed restructuring plans, development of markets, personnel, organization and investment plans and personal contribution. The



assessment of the achievement of such financial preconditions and KPIs is based on the audited consolidated financial results of the Podravka Group for the relevant financial year.

In 2020, the members of the Management Board were paid the following gross amounts:

Name and surname	Annual gross salary / remuneration in HRK	%	Amount of paid gross bonus for 2019 in HRK	%	Other gross receipts* in HRK	%	Total gross in HRK	%
Marin Pucar	972,000	45%	972,000	45%	224,705	10%	2,168,705	100%
Davor Doko	855,600	46%	855,600	46%	156,798	8%	1,867,998	100%
Marko Đerek	855,600	50%	713,000	41%	147,878	9%	1,716,478	100%
Ljiljana Šapina	855,600	50%	713,000	41%	163,008	9%	1,731,608	100%
Hrvoje Kolarić**	956,400	52%	768,940	42%	118,958	6%	1,844,298	100%

\* other gross receipts refer to the use of a company car, health insurance premiums, voluntary pension insurance premiums, life insurance premiums, meals, etc.

\*\* Podravka Inc. does not pay compensation for membership in the Management Board of Podravka Inc. to a member of the Management Board who is employed in another company of the Podravka Group; the member receives remuneration from this subsidiary

For the achieved results for the business year 2020, the members of the Management Board are entitled to a variable part of remuneration (gross bonus for 2020) which will be paid during 2021 as follows:

Name and surname	Amount of gross bonus for 2020 in HRK
Marin Pucar	1,134,000
Davor Doko	855,600
Marko Đerek	713,000
Ljiljana Šapina	713,000
Hrvoje Kolarić *	318,800

\*Podravka Inc. does not pay bonus to a member of the Management Board who is employed in another company of the Podravka Group; the bonus is paid by this subsidiary

Members of the Management Board are entitled to the purchase shares options of PODRAVKA Inc. from the Company for each year of their term, after the expiration of at least two and at most five years from the year to which the option to purchase shares relates, and for that year.

The price of a share which the members of the Management Board have the option to purchase is determined as the weighted average price of the Company's share on the Zagreb Stock Exchange in the year to which the share option relates.

The share option does not mean that a member of the Management Board is granted a certain number of the Company's shares but it means that a member of the Management Board has the right to purchase a certain number of shares from the Company at a price determined as the weighted average price of the



Company's shares on the Zagreb Stock Exchange in the year to which the share purchase option relates (exercise price).

For the achieved results for the business year 2020, the members of the Management Board are entitled to the option to purchase shares of PODRAVKA Inc. as follows:

Name and surname	Year of allocation	Number of options granted	Option's exercise price in HRK	Market value of options granted in HRK*
Marin Pucar	2020	10,000	413.25	717,500
Davor Doko	2020	7,500	413.25	538,125
Marko Đerek	2020	7,500	413.25	538,125
Ljiljana Šapina	2020	7,500	413.25	538,125
Hrvoje Kolarić **	2020	7,500	413.25	538,125

\* The market value of granted options was calculated using the last share price from the Zagreb Stock Exchange on 30 December 2020 of HRK 485.00

\*\* Member of the Management Board who is employed in another company of the Podravka Group is granted options by that subsidiary

Apart from the above, the Company or its related parties have not made any other payments to members of the Management Board.

The Company and its related parties have not provided any loans or advances to and do not issue guarantees for the members of the Management Board.

The Company and its related parties have not given any gifts or benefits of significant value to the members of the Management Board.

#### 4. Remuneration of former members of the Management Board

During 2020, a former member of the Management Board of PODRAVKA Inc. exercised options granted for 2015 and 2016 as follows:

Name and surname	Year of allocation	Number of options granted	Gross amount of receipt in HRK
Zvonimir Mršić	2015 and 2016	19,717	3,462,007*

\* Options exercised through the "Stock Appreciation Rights" (SARs) model, according to which the difference was paid between the average daily price of PODRAVKA Inc. share on the Zagreb Stock Exchange on the date when the rights were exercised and the exercise price of the share for the year to which the exercise of the right to purchase shares relates

#### 5. Comparative overview of movements in total revenues, profit and employee receipts

The overview below shows the average receipts of employees of PODRAVKA Inc. in gross amount which includes the fixed and variable parts of salary, other benefits in kind and all other payments made in connection with the employee status, divided by full time equivalents (FTEs), of the observed periods.

PODRAVKA Inc., Koprivnica, Ante Starčevića 32, The Commercial Court in Bjelovar, CRN: 010006549, PIN: 18928523252, Privredna banka Zagreb P.L.C., Zagreb, Radnička cesta 50, IBAN: HR94 2340 0091 1000 9852 8, share capital: HRK 1,568,400,660.00, paid in full, total number of shares issued: 7,120,003, nominal share value: HRK 220.00, President of the Supervisory Board: Ž. Vukina, President of the Management Board: M. Dalić, members of the Management Board: D. Doko, H. Kolarić, Lj. Šapina, M. Đerek



Other benefits in kind include meals, accommodation, supplementary health insurance premiums, benefits in kind /Easter bonus, benefits in kind based on the allocation or option purchase of own shares, etc.

Other payments include severance pay, reimbursement of costs for transportation to and from work, cash bonuses for results and other forms of additional rewards, occasional bonuses, voluntary pension insurance premiums, bonuses to employees for years of service, gifts for children, supports for continuous sick leave of more than 90 days, one-off supports in the event of the death of a member of the employee's immediate family, supports for newborn children, supports for living apart from the family, etc.

In the comparative overview of movements in the last five years, the total revenues and net profit of the Company are stated according to what was realized in a particular year, while the average receipts are stated according to what was paid in a certain calendar year.

Year	Total revenues of PODRAVKA Inc. In HRK thousand	Net profit of PODRAVKA Inc. In HRK thousand	Average annual gross receipts per employee in HRK
2016	2,021,908	179,321	114,579
2017	2,109,182	86,437	118,053
2018	1,977,205	113,141	114,149
2019	2,148,856	145,189	118,074
2020	2,187,936	193,832	121,063

## 6. Additional information

The Company did not request a refund of variable part of the salary from members of the Management Board.

There are no payments or liabilities payable by a third party to the members of the Management Board, in connection with the tasks they performed as members of the Management Board in the Company or any other function within PODRAVKA Inc.

The performance agreement of a member of the Management Board may be terminated at any time and without stating the reasons. In the event of termination of the contract during its validity by PODRAVKA Inc. and the simultaneous mutually agreed termination of employment in the Company, a member of the Management Board is entitled to the amount of twelve (12) contractual monthly gross salaries, unless the contract is terminated due to unlawful conduct of the member of the Management Board or revocation for an important reason in accordance with the Companies Act.

In case of resignation and simultaneous termination of employment in the Company, a member of the Management Board is entitled to severance pay depending on the duration of the term; for less than 12 months – one half of the gross salary, and for more than 12 months – one gross salary.

In the event of expiration of the term and simultaneous mutually agreed termination of employment in the Company, a member of the Management Board is entitled to the amount of twelve (12) monthly gross salaries paid in the month preceding the termination of the Contract.



A member of the Management Board is entitled to severance pay in the amount of twelve (12) gross salaries also in the event of retirement, or injury, disability, illness or the like, which leads to the termination of the duties of a member of the Management Board.

The Management Board remuneration report for 2020 has been prepared in accordance with the relevant legal provisions, the Corporate Governance Code of the Zagreb Stock Exchange and HANFA and the Articles of Association of PODRAVKA Inc.

In accordance with Article 247a of the Companies Act, the Remuneration Policy will be submitted to the General Assembly to be held in 2021.

In Koprivnica, 19.5. 2021

**President of the Supervisory Board**

A blue ink signature of Želimir Vukina, consisting of several loops and a long horizontal stroke at the end.

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**Želimir Vukina**

**President of the Management Board**

A blue ink signature of Martina Dalić, PhD, featuring a large, stylized 'D' followed by 'o' and 'lić' in a cursive script.

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**Martina Dalić, PhD**



**GENERAL ASSEMBLY**

No. GS-1-10-2021  
Koprivnica, 29<sup>th</sup> June 2021

Pursuant to Article 275 of the Companies Act (Official Gazette No. 152/11-full text, 111/12, 68/13, 110/15 and 40/19), the General Assembly of PODRAVKA Inc. (hereinafter: "Company") held on 29<sup>th</sup> June 2021 passed the following

**RESOLUTION  
on appointing the Company auditors  
for the business year 2021  
and determination of their respecting fees**

I In accordance with the recommendation submitted by the Company Audit Committee, the financial statements of the parent company PODRAVKA Food Processing Industry Inc. and of its affiliated companies, along with consolidated financial statements of the PODRAVKA Group for the business year 2021 shall be audited by the authorised auditor company:

**ERNST & YOUNG Ltd.**  
headquartered in Zagreb, Radnička Street 50.

II PODRAVKA Inc. Management Board is authorized to enter in appropriate agreements on audit services with the Auditing Company from previous item in which will be determined remuneration for their work.

III This Resolution comes to force as of the date it is passed.

President of the  
General Assembly

Hrvoje Markovinović  
signed