



**SUPERVISORY BOARD**

No. NO-103-4-2014  
Koprivnica, 1 April 2014

Pursuant to Article 263, item 3, Article 280, item 3 and Article 300 c and d of the Companies Law ("Official Gazette" no. 152/11, - clear version, 111/12 and 68/13), the Supervisory Board of Podravka Inc., at its 103<sup>rd</sup> session held on 1<sup>st</sup> April 2014 accepted the

### **PODRAVKA Inc. SUPERVISORY BOARD'S REPORT ON PERFORMED SUPERVISION OF PODRAVKA Inc. MANAGING BUSINESS OPERATIONS IN 2013**

This Report includes the period from 1<sup>st</sup> January 2013 until 31<sup>st</sup> December 2013.

The Supervisory Board of Podravka Inc. (hereinafter: the "Supervisory Board") according to its powers defined under the provisions of the Companies Law, the Articles of Association of Podravka Inc. Koprivnica and the Rules of Procedure of the Supervisory Board, has continuously supervised the business operations of Podravka Inc. in 2013 by making decisions and conclusions over nine sessions that have been held in 2013.

By supervising the business operations of Podravka Inc., the Supervisory Board discussed numerous issues regarding business operations of Podravka Inc. and its related companies in 2013 and has been regularly receiving the written reports by the Management Board.

The Supervisory Board has established two committees: the Audit Committee and the Remuneration Committee.

The Audit Committee held seven sessions and the Remuneration Committee held two sessions in 2013.

In the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2013 the Supervisory Board members were: Dubravko Štimac – president, Mato Crkvenac - deputy president, Ivo Družić, Ivana Matovina, Petar Miladin, Dinko Novoselec, Milan Stojanović, Petar Vlajić and Martinka Mardetko-Vuković – Supervisory Board members.

Having examined the management of business operations of Podravka Inc., the Supervisory Board established that Podravka Inc. acted in 2013 in accordance with laws, Articles of Association, acts of Podravka Inc. and resolutions of the General Assembly.

The Supervisory Board has examined, within legally proscribed term, the Annual Financial Statements of Podravka Inc. and Podravka Inc. and its related companies for the year ended 31<sup>st</sup> December 2013, together with the opinion of the independent auditor KPMG Croatia Ltd., Zagreb, Eurotower, Ivana Lučića 2a/17, which have been submitted by Podravka Inc. Management Board. The Supervisory Board determined that the Annual Financial Statements of Podravka Inc. and its related companies (Podravka Group Consolidated Statements) and of Podravka Inc., for the year ended 31<sup>st</sup> December 2013 were constituted in accordance with positions in business records of Podravka Inc. and its related companies, presenting correctly the assets and business positions of Podravka Inc. and its related companies.

Pursuant to such findings, the Supervisory Board is compliant to the Annual Financial Statements for 2013 and Auditor's opinion, by which, pursuant to article 300d of the Companies Act, the Management and the Supervisory Boards determine the Company's Annual Financial Statements.



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Constituent parts of the Annual Financial Statements of Podravka Inc. and its related companies for the business year ended 31<sup>st</sup> December 2013 are as follows:

1. Statement on Total Income
2. Statement on the Company's Financial Position
3. Statement on Changes in Equity
4. Statement on Cash Flow
5. Notes to Financial Statements
6. Annual Report on the Status of the Company.

The Supervisory Board has also examined the Management Board's Annual Report on business operations of Podravka Inc. and its related companies and on the Status of the Company for 2013, and determined that it present correctly and objectively the current business situation and the status of the Company. According to such findings, the Supervisory Board accepted the Management Board's Report on the Status of the Company for the business year 2013.

The Management Board presented to the Supervisory Board a Decision proposal on the allocation of profit of Podravka Inc. in 2013, establishing that Company profit in 2013 amounts HRK 51.366.123,10 and suggesting that this amount shall be allocated to legal reserves: HRK 2.568.306,16, reserves for own shares: HRK 45.842.809,48 and other reserves: HRK 2.955.007,46.

The Supervisory Board complied with the suggested Decision proposal on the allocation of profit of Podravka Inc. in 2013 and proposed General Assembly to pass such Decision.

President of the  
Supervisory Board:

Dubravko Štimac, v.r.