

Zadar, 21<sup>st</sup> May 2021

**INVITATION TO THE GENERAL ASSEMBLY OF TANKERSKA NEXT GENERATION d.d.**

Pursuant to Article 277, paragraph 2 of the Companies Act, the Management Board of the Tankerska Next Generation shipping joint stock company, with registered seat in Zadar, B. Petranovića No. 4 (hereinafter: the "Company" or "TNG"), has on May, 21<sup>st</sup>, 2021, rendered the decision on the convention of the General Assembly, and hereby invites the shareholders of the Company to the

**GENERAL ASSEMBLY of Tankerska Next Generation d.d.  
which will be held on July 2<sup>nd</sup>, 2021, at 11:00 hours at the  
Company headquarters, Božidara Petranovića 4, Zadar**

*(with due respect to the prescribed epidemiological measures  
declared within the decisions of the Civil Protection Authorities of the Republic of Croatia and the county of Zadar)*

**with the following agenda:**

1. Opening of the General Assembly, establishing the present and proxy shareholders attendance list;
2. Annual financial reports for 2020, Annual report on the status and operations of the Company for the business year 2020 and the Supervisory Board report on the conducted supervision of Company's operations in the business year 2020;
3. Decision on loss reconciliation for the business year 2020;
4. Decision on Management Board member liability discharge for the business year 2020;
5. Decision on Supervisory Board members liability discharge for the business year 2020;
6. Decision on approval of the Report on remuneration of members of the Company's Management and Supervisory Board for the business year 2020;
7. Decision on the appointment of the auditor for the business year 2021.

**Proposals of General Assembly decisions:**

**Ad 3. The Management and Supervisory Board propose to the General Assembly to adopt the following decision:**

"The decision on loss reconciliation for the business year 2020

1. It has been determined that Tankerska Next Generation d.d. in the year ending December 31st, 2020 realized a loss in the amount of HRK 31,682,842.82.  
- The loss in the amount of HRK 31,682,842.82 shall be offset through non-allocated profits from previous years.
2. This Decision enters into force upon its adoption."

**Ad 4. The Management and Supervisory Board propose to the General Assembly to adopt the following decision:**

"Discharge of liability is granted to the Company's Management Board for the business year 2020."

**Ad 5. The Management and Supervisory Board propose to the General Assembly to adopt the following decision:**

"Discharge of liability is granted to members of the Company's Supervisory Board for the business year 2020."

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**Ad 6. The Management and Supervisory Board propose to the General Assembly to adopt the following decision:**

“Decision on the approval of Report on remuneration of members of the Management and Supervisory Board for the business year 2020.

1. The Report on remuneration of members of the Management and Supervisory Board for the business year 2020, has been approved, together with the Auditor’s Independent Assurance Report as its integral part.
2. This Decision enters into force upon its adoption.”

**Ad 7. The Supervisory Board proposes to the General Assembly to adopt the following decision:**

“Deloitte d.o.o., Radnička cesta 80, 10 000 Zagreb, OIB: 11686457780 is appointed as the auditor of the Company for the business year 2021.”

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**Explanation to the General Assembly:**

**Ad 2.** Explanation of the yearly financial reports for the business year 2020, Annual report on the status and operations of the Company for the business year 2020 and the Supervisory Board report on the conducted supervision of the Company operations in the business year 2020.

The Management Board and the Supervisory Board inform the shareholders that pursuant to Article 300 d of the Companies Act, the Management Board and the Supervisory Board have determined the annual financial statements of the Company for the business year 2020 and that the General Assembly does not render any decision on this. These financial statements will be presented to the General Assembly together with the Annual Report on the State of the Company's business for the business year 2020 and the Supervisory Board’s Report on the conducted supervision of Company operations in the business year 2020.

Under this item of the agenda, the General Assembly does not make a decision but takes note of the annual financial statements of the Company for 2020 in the content determined by the Management Board and the Supervisory Board.

**Explanation of General Assembly decisions proposals:**

**Ad 3. Explanation on the loss reconciliation for the business year 2020**

The Management Board and the Supervisory Board propose to the General Assembly a decision in which the loss of the business year 2020 in the amount of HRK 31,682,842.82 shall be offset through non-allocated profits from previous years.

**Ad 4. and 5. Explanation of the Decision proposal on granting discharge of liability to the Management Board and the Supervisory Board members for the business year 2020**

Pursuant to Article 276 of the Companies Act, Management and the Supervisory Boards propose to the General Assembly to adopt a decision which grants discharges of liability to the Management Board member and Supervisory Board members for business year 2020. Approval of an individual member of the Management Board or Supervisory Board may be voted separately if so, decided by the General Assembly or if the shareholders holding at least a tenth of the share capital of the Company.

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**Ad 6. Explanation of the Decision proposal on the approval of the Report on remuneration of members of the Management and Supervisory Board for the business year 2020**

Under the provisions of Article 272r of the Companies Act, the Management and the Supervisory Board prepared a Report on remuneration of members of the Management and Supervisory Board for the business year 2020 ("The Report") and sent it to the auditors for examination.

Having examined the Report, the auditors of the annual financial statements Deloitte d.o.o. issued an opinion on its compliance with the requirements specified in the provisions of Article 272r (1) and (2) of the Companies Act. The Report, together with the auditors' opinion, is notified as annex to this Notice of the General Assembly. The Report is proposed to be approved as the Company believes the remuneration paid to Management and Supervisory Board members to be adequate to their commitment and scope of work performed, as well as to the position and business performance of the Company.

**Ad 7. Explanation of the proposal for the appointment of auditors for the business year 2021**

Pursuant to Article 275 of the Companies Act, the Supervisory Board proposes to the General Assembly to adopt the decision on the appointment of Deloitte d.o.o., ZagrebTower, Radnička cesta 80, 10 000 Zagreb, as the auditor of the Company for the business year 2021.

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## INVITATION AND INSTRUCTIONS FOR SHAREHOLDERS GENERAL ASSEMBLY

(Hereinafter – Invitation, Instructions)

### Invitation, time and venue of the General Assembly

1. The shareholders of Tankerska Next Generation are invited to participate in the Annual General Assembly to be held on July 2<sup>nd</sup>, 2021 at the Company headquarters, Božidara Petranovića 4, Zadar, beginning at 11:00.
2. Registration of participants of the General Assembly shall take place on July 2<sup>nd</sup>, 2021 at the entrance to the Company's headquarters, Božidara Petranovića 4, Zadar, from 9:45 to 10:45 hours, as final. Registration after that will not be possible and we kindly ask shareholders to register in due time. After the completion of the registration, those shareholders or their proxies, who were not registered on the list of participants, but are registered in the share register, are entitled to participate in the General Assembly, but cannot exercise the right to vote.
3. When registering, shareholders or their proxies or representatives have to show legally proscribed valid ID, while the attorneys who are legal persons have to submit an excerpt from the court register or other appropriate register in which the legal entity is recorded, or other appropriate public documents, if it is not submitted with the application for participation in the General Assembly.

### Participation and voting at the General Assembly

4. Each shareholder of the Company has the right to participate at the General Assembly, provided that the participation is announced, in person or through their proxy or representative, by submitting a written application to the Company, not later than six days before the General Assembly, excluding the date of receipt of the application by the Company, i.e. by June 25<sup>th</sup>, 2021 the latest. A legal or natural person who is a shareholder of the Company registered in the Central Depository and Clearing Company Inc. Zagreb, on the last day for application for participation in the General Assembly, i.e. on June 25<sup>th</sup>, 2021 considered a shareholder of the Company. The share capital is divided into 8,733,345 ordinary shares, of which each has one vote minus 28,319 Company shares held by Tankerska Next Generation.
5. The application shall have the following contents and attachments:
  - I. Application for shareholder - natural person
    - The name, residence, address, number of account with the Central Depository and Clearing Company Inc. and the total number of shares of the shareholder
  - II. Application for shareholder - legal person
    - Company name of the legal person, seat and address, OIB
    - The number of account with the Central Depository and Clearing Company Inc. and the total number of shares of the shareholder
    - Attached to the application, excerpt from the court register or other register in which legal person is entered or a copy, certified copy or other appropriate public document clearly showing that the application was signed by a person who is legally authorized to represent the legal person
  - III. Application submitted by the shareholder's proxy
    - a) **Proxy - natural person:**
      - Name and surname, residence and address of the proxy, OIB
      - List of shareholders which are being represented, for each, the number of their account with the Central Depository and Clearing Company Inc. and the total number of shares of all represented shareholders
      - Attached to the application all the individual powers of authority on the recommended form, shall be submitted

- b) Proxy - legal person:**
- Company name, seat and address and proxy OIB
  - List of shareholders represented, for each number of their account with the Central Depository and Clearing Company Inc. and the total number of shares of all represented shareholders
  - Individual powers of attorney are delivered in writing attached to the application, and if the shareholder is a legal person, the attachment shall contain an excerpt from the court register or other register in which legal person is entered or a copy, certified copy or other public document it is evident that the power of attorney signed by the person who is legally authorized to represent the legal person.
6. For minors and incapable or partially business capable persons the application is submitted and represented by an appointed guardian who must enclose the original or a copy or a certified copy of the document that certifies the guardianship status.
  7. Shareholders at the General Assembly may be represented by proxy on the basis of a valid written power of attorney issued by the shareholder, or in case of legal entity proxy issued by a person who is legally authorized to represent the shareholder.
  8. At least 21 days before the General Assembly, the Company will inform credit or financial institutions and shareholder associations present at last year's General Assembly and voted on behalf of shareholders or have asked to receive the invitation. The invitation shall state the option for shareholders to vote at the General Assembly by proxy or by shareholder associations.
  9. Power of attorney for participation and/or voting at the General Assembly shall include the name and surname or company name, residence or seat and address of the issuer on the number of account with the Central Depository and Clearing Company Inc., the total number of shares, name and surname or company name, residence or seat and address of the proxy, signature authority or statutory representative or representative under law, if the proxy is a legal person. It is recommended to use forms for the application for participation in the General Assembly and the power of attorney, which may be obtained at the Company's headquarters and are also available on the website of the Company [www.tng.hr](http://www.tng.hr).
  10. The application for participation in the General Assembly and authorization, and all attachments must be in the Croatian language or if in a foreign language must be translated into Croatian by a certified court interpreter.
  11. The application for participation in the General Assembly shall be submitted directly to the Company at its headquarters in Zadar, B. Petranovića 4, or sent to the Company by registered mail to the following address:  
  

**Tankerska Next Generation d.d.**  
**B. Petranovića 4**  
**23 000 Zadar**
  12. The application for participation in the General Assembly shall be considered timely submitted if it is in accordance with these Instructions, submitted or sent by mail to the Company by 23:59 hours on June 25<sup>th</sup>, 2021. Shareholders that did not submit their participation in General Assembly properly in accordance with these Instructions or who have not submitted their application shall not be entitled to participate in the General Assembly.
  13. General Assembly cannot pass valid decisions unless in person or by proxy shareholders present have shares representing at least half of the share capital of the Company (quorum). If the quorum is not met, the General Assembly will be held the same day at 13:00 hours in the same place with the same agenda and the General Assembly will pass valid decision regardless of the amount of the capital represented. Given proxies are also valid for this General Assembly.

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**Shareholder rights to inquire, request amendments to the agenda, counter proposals and the right to be informed**

14. Shareholders intending to ask questions at General Assembly with reference to agenda items are hereby asked, for sake of the efficient organization of the General Assembly, to provide written notice when filing the application for participation at the General Assembly or at the latest during registration of participants before the General Assembly, thereby indicating the agenda item, as well as its content.
15. Shareholders who together hold shares in the amount of the twentieth part of the Company's share capital have the right to request, after the General Assembly is convened for a certain item to be added to the agenda of the General Assembly and to be announced, whereby with each new agenda item an explanation or a draft decision must be provided. The request to add items to the agenda is submitted by shareholders to the Company at the Company's headquarters (Tankerska Next Generation d.d., B.Petranovića 4, 23 000 Zadar). In order to have supplement to agenda validly announced, in accordance with the Companies Act, a request to add items to the agenda must be received at least 30 days before the General Assembly. In case the deadline is not observed the proposed agenda items are not properly announced and therefore the General Assembly cannot pass these decisions.
16. Shareholders have the right to put a counterproposal to the decision proposals submitted by the Management and/or Supervisory Board on a particular agenda item. The counterproposal, together with the names and surnames of shareholders, explanation and possibly, opinion of the Management Board, will be reported to credit or financial institutions and shareholder associations that voted on behalf of shareholders at last year's General Assembly and will be made available to shareholders on the website of the company ([www.tng.com](http://www.tng.com)), if a shareholder submits a counterproposal, at least 14 days before the General Assembly, to the head office address of the Company (Tankerska Next Generation d.d., B. Petranovića 4, 23 000 Zadar). The Company will not consider the day of receiving the counterproposal in this 14-day deadline. If the shareholder does not exercise this right, it does not result in loss of the right to make a counterproposal at the General Assembly. This shall be appropriately applied to shareholders proposals regarding the election of the Supervisory Board or the appointment of the Company's auditor.
17. The Management Board will at the General Assembly give every shareholder at his/her request, information on the company's business, if it is necessary to evaluate items on the agenda.
18. Documents for the General Assembly, legally required, are available to the shareholders at the Company's headquarters in Zadar, every working day from the date of announcing the invitation for the General Assembly until the date of the General Assembly from 10:00 to 14:00 hours. These materials are made public on the same day and available on the Company's website ([www.tng.hr](http://www.tng.hr)).

Management Board



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John Karavanić

**Tankerska Next Generation d.d.**

Report on remuneration of members of the Management and Supervisory Board  
for the year ended 31 December 2020  
together with Auditor's Independent Assurance Report

Independent Assurance Report on the Remuneration report

Introduction 1

Remuneration for the member of the Management Board 1

Remuneration for the members of the Supervisory Board 2



## INDEPENDENT ASSURANCE REPORT

To the Management and Supervisory Board of Tankerska Next Generation d.d.

### **Scope**

Pursuant to the engagement letter concluded with Tankerska Next Generation ('the Company') on 10 November 2020, we have examined the accompanying Report on remuneration paid to the Management board and the Supervisory board members for the year ended 31 December 2020 ('the Report'), and have performed procedures in order to express our independent assurance in accordance with the requirements of the Article 272.r of the Companies' Act ('the Act').

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

The Management and Supervisory Board of the Company are responsible for the preparation of the Report in accordance with the requirements of the Article 272.r of the Act and for those internal controls that the Management determines are necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

### **Subject Matter and the Applicable Criteria**

As part of our engagement, we have planned and performed procedures on the Report to the extent necessary to obtain limited assurance as to whether the Report contains information from the paragraphs 1 and 2 of Article 272.r of the Act.

*This version of the auditor's report is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over this translation*

The company was registered at Zagreb Commercial Court: MBS 030022053; paid-in initial capital: Kn 44,900.00; Company Directors: Marina Tonžetić, Dražen Nimčević and Domagoj Vuković; Bank: Privredna banka Zagreb d.d., Radnička cesta 50, 10 000 Zagreb, bank account no. 2340009-1110098294; SWIFT Code: PBZGHR2X IBAN: HR3823400091110098294.

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## INDEPENDENT ASSURANCE REPORT (CONTINUED)

### *Our Independence and Quality Control*

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants (the 'IESBA Code') and have fulfilled our ethical responsibilities in accordance with the IESBA Code.

The firm applies 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.

### *Summary of the work performed*

As part of our engagement, we have planned and performed, among other, the following procedures:

- Identification of responsible personnel in charge of preparing the Report;
- Inquiry of the responsible personnel in order for us to obtain understanding of the process and preparation of the Report;
- Inquiry of Management Board and the Supervisory Board members regarding the accuracy and completeness of statements in the Report
- Recalculation and comparison of data published in the Report with the documentation received by the Company, based on the sample
- Comparison of the data presented in the Report with the requirements of paragraphs 1 and 2 of Article 272.r of the Act

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. The procedures applied in a limited assurance engagement differ in type, duration and coverage from those applied in a reasonable assurance engagement. This means that the degree of assurance gained by applying a limited assurance engagement is significantly lower than that which would be acquired by performing a reasonable assurance engagement. We believe that the evidence we have gathered is sufficient and appropriate to provide a basis for our conclusion.

### *Conclusion*

Based on the conducted procedures and the collected evidence, nothing drew our attention which would cause us to believe that the Report, in all significant determinants, does not contain all the data from the paragraphs 1 and 2 of Article 272.r of the Act.

## INDEPENDENT ASSURANCE REPORT (CONTINUED)

### *Limitations*

- The purpose of our independent assurance report is not, nor is it intended to be, a legal opinion on compliance with the Article 272.r of the Act or other legal regulations.
- Our report is intended for the Management Board and the Supervisory Board.
- The performance of our procedures was limited to the information provided by the Company.
- When planning and performing our procedures we relied on the representations of the Company's responsible parties.
- 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 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.

**Marina Tonžetić**  
Director and Certified Auditor

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

April 27 2021

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

**REPORT ON REMUNERATION OF MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARD  
for the year ended 31 December 2020**

*(all amounts are expressed in HRK)*

Pursuant to Article 272.r. of the *Companies Act* and the Code of Corporate Governance of the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency, the Management Board and the Supervisory Board of Tankerska Next Generation d.d. submits the following:

**REPORT  
ON THE REMUNERATION OF THE MANAGEMENT AND SUPERVISORY BOARD  
FOR THE YEAR 2020**

**Introduction**

Tankerska Next Generation d.d. (hereinafter: "TNG" or "Company") is a public limited company established and registered in the Republic of Croatia on 22<sup>nd</sup> of August 2014. The Company's registered seat is in Zadar, Božidara Petranovića 4.

The Company's management structure is based on a two-tier system which consists of the Supervisory Board and the Management Board, which together with the General Assembly represent the Company's bodies in accordance with the Company's Articles of Association and the *Companies Act* (NN 40/19) (hereinafter: The "Law").

This Remuneration Report (hereinafter: The "Report") provides information on all receipts paid or committed by the Company to current and former members of the Management Board and the Supervisory Board during 2020.

This Report has been prepared in accordance with the valid internal documents of the Company and is in accordance with the Remuneration Policy of the Company adopted by the General Assembly of the Company on August 21, 2020 (hereinafter: The "Remuneration Policy").

**Remuneration for the member of the Management Board**

The Management Board consists of one member - Mr. John Karavanić.

During 2020, there were no changes in the composition of the Management Board.

Pursuant to the Articles of Association, the Supervisory Board commissions a member of the Management Board regulating mutual rights and obligations (duties of a member of the Management Board, salary, salary supplements, salary compensation, compensation of expenses, insurance premiums, other material rights, possible participation in the Company's profit, non-compete agreement and other benefits).

## REPORT ON REMUNERATION OF MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARD for the year ended 31 December 2020

(all amounts are expressed in HRK)

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A member of the Management Board of the Company is entitled to remuneration for his work, which consists of a fixed and variable component, and to additional benefits in kind or receipts based on internal acts and Company resolutions.

In 2020, the sole member of the Management Board of the Company used a company vehicle for private purposes on which basis benefits in kind were calculated.

For 2020, the total "(gross I) remuneration amount paid for the work of the sole member of the Management Board amounts to HRK 956,727.24, i.e. as follows:

*Remuneration for the member of the Management Board for 2020 in HRK*

| Member of the Board | Fixed part | %     | Variable part | %     | Receipts in kind | %    | Total      | %      |
|---------------------|------------|-------|---------------|-------|------------------|------|------------|--------|
| John Karavanić      | 797,018.32 | 83.3% | 114,759.25    | 12.0% | 44,949.67        | 4.7% | 956,727.24 | 100.0% |

### Remuneration for the members of the Supervisory Board

In the period from 1 January 2020 until 31 January 2020, the members of the Supervisory Board were as follows:

|                |  |
|----------------|--|
| Ivica Pijaca   | Chairman of the Supervisory Board        |
| Mario Pavić    | Deputy Chairman of the Supervisory Board |
| Nikola Koščica | Member of the Supervisory Board          |
| Joško Miliša   | Member of the Supervisory Board          |
| Dalibor Fell   | Member of the Supervisory Board          |

During 2020, there were no changes in the composition of the Supervisory Board.

In accordance with the Company's Articles of Association, the Company's Supervisory Board supervises the management of the Company's affairs, and consists of a total of 5 members who are entitled to compensation for participation in the Supervisory Board in accordance with the decision of the Company's General Assembly.

Pursuant to the Company's General Meeting decision of 1 August 2018, the amount of remuneration was determined in the monthly amount of HRK 7,600.00 gross for members, and in the monthly amount of HRK 9,500.00 gross for the President of the Supervisory Board.

**REPORT ON REMUNERATION OF MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARD**  
for the year ended 31 December 2020

*(all amounts are expressed in HRK)*

In accordance with the Remuneration Policy, the remunerations received by the members of the Supervisory Board will not include variable elements or other elements related to business performance, as performance-related remuneration could jeopardize their independence and objectivity.

Consequently, for 2020, the members of the Supervisory Board were compensated in the following (gross I) amounts:

*Remuneration for the members of the Supervisory Board for 2020 in HRK*

| <b>Member of the Supervisory Board</b> | <b>Position</b> | <b>Amount in HRK</b> |
|--|-----------------|----------------------|
| Ivica Pijaca                           | Chairman        | 114,000.00           |
| Mario Pavić                            | Deputy Chairman | 91,200.00            |
| Nikola Koščica                         | Member          | 91,200.00            |
| Joško Miliša                           | Member          | 91,200.00            |
| Dalibor Fell                           | Member          | 91,200.00            |
| <b>UKUPNO</b>                          |                 | <b>478,800.00</b>    |

Apart from the aforementioned payments, the Company or its affiliates did not make any other payments in favour of the members of the Supervisory Board.

During 2020, the Company did not pay any compensation to former members of the Supervisory Board and there are no outstanding receivables on that basis.

**Comparative presentation of annual changes in revenues, net income, i.e. profit of the Company and average earnings of employees**

| <b>Year</b> | <b>Total revenues of the Company</b> | <b>Net income / loss of the Company</b> | <b>Average gross annual earnings per employee</b> |
|-------------|--------------------------------------|---|---|
| 2016        | 272,589,229.00 kn                    | 40,607,823.00 kn                        | 287,917.12 kn                                     |
| 2017        | 280,756,789.00 kn                    | 32,132,435.00 kn                        | 259,667.75 kn                                     |
| 2018        | 304,356,578.00 kn                    | 6,284,498.00 kn                         | 259,920.44 kn                                     |
| 2019        | 269,128,633.00 kn                    | 23,340,242.00 kn                        | 258,752.54 kn                                     |
| 2020        | 241,380,155.00 kn                    | -31,682,843.00 kn                       | 250,688.32 kn                                     |

## **REPORT ON REMUNERATION OF MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARD for the year ended 31 December 2020**

*(all amounts are expressed in HRK)*

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In the employees' average gross annual income calculation, fixed parts of employee compensation (regular salaries, allowances, etc.), variable parts (various performance bonuses) were taken into account, and no receipts of a member of the Management Board were taken into account.

The number of employees for a particular year was calculated in such a way that the number was determined on the basis of full-time work at the level of the observed year. During the observed period, the Company had an average of 2 employees in the administration, while the subsidiary Tankerska Next Generation International Ltd. had on board a crew of at least 132 seafarers on a contract basis, while the Company employed an average of 192 seafarers at the level of the annual average calculated on a full-time basis during the period 2015-2020.

The ratio of the average remuneration of a member of the Management Board to the average remuneration of employees is balanced and in line with industry practices.

### **Number of shares and share options granted or undertaken by the Company to members of the Management Board and the Supervisory Board**

The Company is not obliged to give or has undertaken to give any member of the Management Board or the Supervisory Board shares or share options for the business year 2020.

### **Return of variable parts of receipts**

In 2020, the Company did not request the return of variable parts of receipts from a member of the Management Board, because it was not paid in the previous period.

Also, in 2020, the Company did not request a refund of remuneration from members of the Supervisory Board.

### **Deviation from the Remuneration Policy**

In 2020, the Company did not deviate from the Remuneration Policy in accordance with the provisions of Article 247a, paragraph 2 of the Companies Act.

### **Receipts paid or committed to a member of the Management Board in 2020 by a third party in connection with the activities he performed as a member of the Management Board**

During 2020, no third party paid nor undertook to pay receipts to a member of the Management Board in connection with the activities he performed as a member of the Management Board.

**REPORT ON REMUNERATION OF MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARD**  
for the year ended 31 December 2020  
*(all amounts are expressed in HRK)*

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**Receipts that the Company is obliged to pay to a member of the Management Board in case of early termination of membership in the Management Board**

The Company has not obliged to pay remuneration to a member of the Management Board in the event of early termination of membership in the Management Board.

**Receipts that the Company is obliged to pay to a member of the Management Board in the event of regular termination of membership in the Management Board**

In 2020, there was no regular termination of membership in the Management Board of the Company, and thus no payment of receipts or reservation of amounts on that basis.

**Final provisions**

This Remuneration Report, as well as the Report of the Independent Auditor with an Independent practitioner's assurance report, will be published and made available by the Company free of charge for a period of ten years on its website, after the General Assembly approves the Report in accordance with the Law.

In Zadar, on 27<sup>th</sup> of April 2021.

  
John Karavanić

Member of the Management Board

  
Ivica Pijaca

Chairman of the Supervisory Board