



LUKA PLOČE

**REPORT ON THE REMUNERATION OF THE MEMBERS
OF THE MANAGEMENT AND SUPERVISORY BOARD OF
PORT OF PLOČE j.s.c. FOR THE YEAR 2021**

Ploče, April 30 2024

Based on Article 272.r of the Company Law (Official Gazette 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/ 11, 111/12, 68/13, 110/15, 40/19) and Article 55 of the Statute of Port of Ploče j.s.c., the Management Board and Supervisory Board made submissions to the General Assembly for approval as follows

REPORT ON THE REMUNERATION OF THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARD OF PORT OF PLOČE j.s.c. FOR THE YEAR 2021

1. FIXED AND VARIABLE PARTS OF RECEIPT OF THE MEMBERS OF THE MANAGEMENT BOARD FOR THE YEAR 2023

The total receipts of the members of the Management Board consist of:

- of the fixed part of the receipt,
- variable part of the receipt,

The relationship between the fixed and variable part of the total receipts for the members of the Management Board must be appropriate or determined in such a way that the net annual amount of the variable part does not exceed the sum of the average 24 (twenty-four) net salaries paid in the previous year.

The fixed part of the income of the members of the Management Board represents an unchanging part of the income defined by the contract that the Company, represented by the Supervisory Board, concludes with the members of the Management Board.

Fixed receipts are payments or benefits to members of the Board who meet the following conditions:

- are based on predetermined criteria,
- reflect the level of professional experience of a member of the Management Board, purpose of work, complexity of work, key areas of work, level of authority and responsibility, education required to perform work, position in the organizational structure and influence on the Company's operations,
- they are transparent when it comes to the individual amount allocated to an individual member of the Management Board,
- are paid on a continuous basis during a certain period that is related to the powers and responsibilities arising from that position,
- they are irrevocable, the permanent amount can be changed by changing the employment contract,
- do not encourage risk-taking,
- they do not depend solely on success and do not depend on making a discretionary decision.

The members of the Management Board have, in accordance with the applicable regulations, the right to compensation for all other expenses related to the performance of their duties, i.e. fulfilling their obligations as a member of the Management Board, for example the costs of official trips in the country and abroad, membership fees in professional associations, domestic and foreign literature, visiting professional meetings, fairs and similar events. Members of the Management Board can be provided with professional training at their expense and in accordance with the Company's business plan with the aim of further training.

All parts of receipts that do not meet the criteria of a fixed receipt are considered variable receipts.

Variable receipts are determined in such a way that they reflect:

- performance that is sustainable and adjusted to risks,
- performance that exceeds the expected standard.

The company may not guarantee the payment of a certain amount of variable receipts to a member of the Management Board. A guarantee is considered a contractual obligation of the Company to pay a member of the Management Board a certain amount of variable receipts, regardless of performance, i.e. only under the condition of maintaining the contractual relationship until a certain date.

1. FIXED AND VARIABLE PARTS OF RECEIPT OF THE MEMBERS OF THE MANAGEMENT BOARD FOR THE YEAR 2023 (continued)

Variable remuneration is intended to reward the work performance of a member of the Management Board, and performance is determined based on the achievement of the Company's financial and non-financial goals. The objectives are defined by the Supervisory Board in advance, as a rule, for each business year.

When defining the exact amount of the variable part of the Management Board members' income, the Supervisory Board will take into account the following categories:

- consolidated financial annual result of the Company,
- operational, strategic and development operations of the Company,
- execution of individual goals set by the Supervisory Board for members of the Management Board.

The exact amount of the variable part of the income that will be paid to the members of the Management Board is determined by the Supervisory Board, and it will be determined within 30 (thirty) days from the date of determination of the audited financial statements of the Company for the previous year.

During 2023, the following fixed and variable remunerations were paid to the members of the Management Board („MB“):

Name and surname	Fixed parts of receipts* (EUR)	Variable parts of receipts (EUR)	Total receipts (EUR)
Hrvoje Livaja, president of MB	110.616	170.140	280.756
Daniela Marelić, member of MB	92.047	64.617	156.665
	202.663	234.757	437.421

**the share of fixed receipts also includes salary in kind in accordance with Article 21 of the Income Tax Act. The same prescribes receipts that are considered wages even though they are not paid in money, but are receipts in goods and services without compensation (eg use of a car from the Company).*

The ratio of paid fixed and variable compensation to members of the Management Board for 2023 is shown in the following table:

Name and surname	Fixed parts of receipts (EUR)	Variable parts of receipts (EUR)	Total receipts (EUR)	Ratio of fixed receipts (%)	Ratio of variable receipts (%)
Hrvoje Livaja, president of MB	110.616	170.140	280.756	39%	61%
Daniela Marelić, member of MB	92.047	64.617	156.665	59%	41%

1. FIXED AND VARIABLE PARTS OF THE SUPERVISORY BOARD MEMBERS' RECEIPT FOR THE YEAR 2023

Based on the Decision of the General Assembly of Luka Ploče d.d. from January 25, 2008, members of the Supervisory Board have the right to compensation for the work of the Supervisory Board in the net amount of EUR 530.89 per month. By the same Decision, members of the Supervisory Board exercise the right to compensation for official travel (overnight stay, transportation costs and per diems) for the purpose of attending Supervisory Board meetings. Members of the Supervisory Board are not entitled to variable parts of receipts.

During 2023, the members of the Supervisory Board ("SB") were paid the following allowances:

Name and surname	Fixed receipts (EUR)	Travel costs (EUR)	Total receipts (EUR)
Pavao Vujnovac, president of SB	4.967	-	4.967
Jeni Krstičević, deputy president of SB	9.265	-	9.265
Ivan Ostojić, member of SB	9.265	-	9.265
Damir Spudić, member of SB	8.853	-	8.853
Ana Marinović, member of SB	9.075	80	9.155
Boštjan Napast, president of SB	412		412
Zvonimir Novak, member of SB	4.298		4.298
	46.135	80	46.215

1. FIXED AND VARIABLE PARTS OF THE SUPERVISORY BOARD MEMBERS' RECEIPT FOR THE YEAR 2023 (continued)

Notes:

- Member of the Supervisory Board, Ana Marinović, is also an employee of the Company, and in the table above, the fixed compensation refers only to compensation for the work of a member of the Supervisory Board, and does not include receipts based on an employment contract as an employee of the Company.
- On June 14, 2023, Pavao Vujnovac was recalled from the position of President of the National Assembly, and Zvonimir Novak was appointed.
- On November 15, 2023, Damir Spudić ceased to be a member of the NO, and Boštjan Napast was appointed a member of the NO.
- On November 23, 2023, Zvonimir Novak was relieved of his duties as president (he remained a member of the NO), and Boštjan Napast was appointed president of the NO.

2. COMPARATIVE DISPLAY OF ANNUAL CHANGES IN RECEIPTS, INCOME, OR PROFIT OF THE COMPANY AND AVERAGE RECEIPTS OF FULL-TIME EMPLOYEES

In 2023, the Company's revenue amounted to EUR 75,046 thousand, while profit before taxation amounted to EUR 12,575 thousand. The stated amounts refer to data from non-consolidated financial reports.

During the year 2023, there were no changes in the receipts of the members of the Management Board of Luka Ploče d.d.. The ratio of the average receipts of the members of the Management Board of Luka Ploče d.d. and full-time employees in 2023 was 1:10. The calculation of the average receipts of the members of the Management Board takes into account all fixed and variable receipts as stated in point 1 of this Report.

The following table shows the average income of full-time employees of Luka Ploče d.d., and it is based on gross first salary paid, Christmas bonus, Easter bonus, non-taxable bonuses and severance pay based on all full-time employees in 2023 (excluding members of the Management Board) for the last five business years in relation to the revenues and net profit (loss) of the Company in that period.

Annual receipts	2023.	2022.	2021.	2020.	2019.
Annual basis ('000 EUR)	8.441	7.995	7.416	7.705	7.238
Average number of employees	404	387	395	454	483
Annual receipts per employee ('000 EUR)	21	21	19	17	15

Result	2023.	2022.	2021.	2020.	2019.
Total income ('000 EUR) *	75.046	94.151	48.057	28.364	20.564
Net profit/(loss) ('000 EUR)	10.287	6.610	3.661	(1.303)	69

* Total income excludes the items "Other (losses) / gains - net" and "Financial income - net".
A fixed exchange rate of 7.53450 was used to convert HRK to EUR for each applicable year.

3. NUMBER OF SHARES AND SHARE OPTIONS THAT THE COMPANY GRANTED OR COMMITTED TO GIVE TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BORD

The employment contracts of the members of the Management Board do not provide for the right to shares in the Company. Members of the Supervisory Board also do not have the right to the Company's shares.

4. RETURN OF VARIABLE PARTS OF RECEIPTS

Remuneration policy for members of the Management Board does not provide for the return of the variable part of the receipts on any basis. The company has not deviated from the Remuneration Policy.

5. RECEIPT WHICH WAS PAID TO A MEMBER OF THE BOARD OF DIRECTORS OR WAS COMMITTED TO BE PAID TO HIM BY A THIRD PARTY IN 2023 RELATED WITH THE WORK HE PERFORMED AS A MEMBER OF THE MANAGEMENT BOARD

There are no payments or obligations for payment by a third party to members of the Management Board in connection with the work they performed as members of the Management Board in the Company.

6. RECEIPTS THAT THE COMPANY HAS OBLIGED TO PAY TO THE BOARD MEMBER IN THE CASE OF PREMIER TERMINATION OF MEMBERSHIP IN THE BORD

In accordance with the concluded employment contract, in case of early termination of membership in the Management Board of the President of the Management Board, the Company undertakes to offer the President of the Management Board a new employment contract in accordance with his professional training, knowledge and abilities, and if the President of the Management Board does not accept it, the Company is obliged to pay the amount of 24 monthly salaries.

In accordance with the concluded employment contract, in case of premature termination of the membership in the Management Board, the Company is obliged to pay the receipt in the amount of 3 monthly salaries.

With the agreement on the termination of the employment contract, it is possible to establish rights and obligations of a different content than those provided for in valid employment contracts.

In 2023, there were no early terminations of membership in the Management Board, so there were no payments on that basis either.

7. RECEIPTS WHICH THE COMPANY HAS OBLIGED TO PAY TO THE BOARD MEMBER IN THE EVENT OF REGULAR TERMINATION OF MEMBERSHIP IN THE BOARD

In accordance with the concluded employment contracts, in case of regular termination of membership in the Management Board (the expiration of the mandate to which the member of the Management Board was appointed), the Company did not undertake to pay additional receipts.

During 2023, there was no regular termination of membership in the Management Board, and thus no payments of receipts on that basis.

8. RECEIPT WHICH THE COMPANY COMMITTED TO PAY TO THE FORMER MEMBER OF THE MANAGEMENT BOARD WHOSE MEMBERSHIP IN THE MANAGEMENT TERMINATION TERMINATED IN 2023, IN CONNECTION WITH THE TERMINATION OF MEMBERSHIP IN THE MANAGEMENT BORD

During the year 2023, the membership of no member of the Management Board was terminated, and thus there were no payments on that basis.

9. FINAL PROVISIONS

This Report is examined by an auditor who also examines the company's annual financial statements. The auditor examined whether this Report contains all the information from Article 272.r of the Companies Act and compiled a report on the examination of this Report, which is attached to this Report.

For a period of ten years, the Company will publish and make this Report on Receipts available free of charge on its website after the General Assembly passes a decision on the adoption of the Report on Receipts.

This Report on receipts has been approved by the Management Board and the Supervisory Board.

Hrvoje Livaja, dipl.oec.
President of the Managment board

Boštjan Napast, dipl.ing.
President of the Supervisory board

Daniela Marelić, dipl.oec.
Member of the Managment board