



**ZAGREBAČKA BURZA**

*Zagreb Stock Exchange*

## CODE OF CORPORATE GOVERNANCE ANNUAL QUESTIONNAIRE

**MAIN COMPANY INFORMATION:**

**CONTACT PERSON AND CONTACT PHONE:**

**DATE OF QUESTIONNAIRE COMPLETE:**

ULJANIK d.d., Flaciusova 1, Pula

Pavlina Klasta, 052 373 339

23th February 2018

All the questions contained in this questionnaire relate to the period of one business year to which the annual financial statements also relate.

If a question in the questionnaire asks for an explanation, it is necessary to explain the answer provided.

All the answers in the questionnaire will be measured in percentages, as explained at the beginning of each chapter.

### COMPANY HARMONIZATION WITH THE PRINCIPLES OF CORPORATE GOVERNANCE CODE

Answers to this questionnaire chapter will be valued with a max. 20% of the whole questionnaire valuation of company harmonization with the principles of Corporate Governance Code

Question No.	Questions	Answer YES/NO	Explanation
1	Has the company accepted implementation of the code of corporate governance of the Zagreb Stock Exchange?	YES	
2	Does the company have its own code of corporate governance?	YES	
3	Have any principles of the code of corporate governance been adopted as part of the company's internal policies?	YES	
4	Does the company disclose harmonization with the principles of corporate governance in its annual financial statements?	YES	

**SHAREHOLDERS AND GENERAL MEETING**

Answers to this questionnaire chapter will be valued with max. 30% of whole questionnaire valuation of company harmonization with the principles of Corporate Governance Code

	Question No.	Questions	Answer YES/NO	Explanation
	5	Is the company in a cross-shareholding relationship with another company or other companies? (If so, explain)	NO	
	6	Does each share of the company have one voting right? (If not, explain)	YES	
	7	Are there cases of different treatment of any shareholders?? (If so, explain)	NO	
	8	Has the procedure for issuing power of attorney for voting at the general assembly been fully simplified and free of any strict formal requirements? (If not, explain)	YES	
	9	Has the company ensured that the shareholders of the company who, for whatever reason, are not able to vote at the assembly in person, have proxies who are obliged to vote in accordance with instructions received from the shareholders, with no extra costs for those shareholders? (If not, explain)	YES	
	10	Did the management or Management Board of the company, when convening the assembly, set the date for defining the status in the register of shares, which will be relevant for exercising voting rights at the general assembly of the company, by setting that date prior to the day of holding the assembly and not earlier than 6 days prior to the day of holding the assembly? (If not, explain)	YES	
	11	Were the agenda of the assembly, as well as all relevant data and documentation with explanations relating to the agenda, announced on the website of the company and put at the disposal of shareholders on the company's premises as of the date of the first publication of the agenda? (If not, explain)	YES	
	12	Does the decision on dividend payment or advance dividend payment include information on the date when shareholders acquire the right to dividend payment, and information on the date or period during which the dividend will be paid? (If not, explain)	NO	decision regarding payment of dividend has not been made
	13	Is the date of dividend payment or advance dividend payment set to be not later than 30 days after the date of decision making? (If not, explain)	NO	see under item 12
	14	Were any shareholders favoured while receiving their dividends or advance dividends? (If so, explain)	NO	see under item 12
	15	Are the shareholders allowed to participate and to vote at the general assembly of the company using modern communication technology? (If not, explain)	YES	

	16	Have the conditions been defined for participating at the general assembly by voting through proxy voting (irrespective of whether this is permitted pursuant to the law and articles of association), such as registration for participation in advance, certification of powers of attorney etc.? (If so, explain)	YES	is regulated by the Company's Articles of Incorporation
	17	Did the management of the company publish the decisions of the general assembly of the company?	YES	
	18	Did the management of the company publish the data on legal actions, if any, challenging those decisions? (If not, explain)	NO	there were no such works

## MANAGEMENT AND SUPERVISORY BOARD

PLEASE PROVIDE THE NAMES OF MANAGEMENT BOARD MEMBERS AND THEIR FUNCTIONS

Gianni Rossanda - president,  
Veljko Grbac and Marinko Brgić - members of  
the Management Board

PLEASE PROVIDE THE NAMES OF SUPERVISORY BOARD AND THEIR FUNCTIONS

from 1st January 2017 till 27th April 2017:  
Renata Kašnjar Putar - president,  
Đino Šverko - vice president, Andrija Hren,  
Rajko Kutlača and Marko Pokrajac -  
members, from 28th April till 11th June 2017:  
Renata kašnjar Putar - president, Đino Šverko  
vice president, Marko Pokrajac - member,  
from 12th June 2017 till 31st December  
2017: Renata Kašnjar Putar - president, Đino  
Šverko vice president, Dragutin Pavletić,  
Marko Pokrajac and Rajko Kutlača - members

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	Question No.	Questions	Answer YES/NO	Explanation
	19	Did the Supervisory or Management Board adopt a decision on the master plan of its activities, including the list of its regular meetings and data to be made available to Supervisory Board members, regularly and in a timely manner? (If not, explain)	NO	the Meetings are held in accordance with the requirements defined by Company Act
	20	Did the Supervisory or Management Board pass its internal code of conduct?	YES	
	21	Does the company have any independent members on its Supervisory or Management Board? (if not, please explain)	NO	they are representatives of majority shareholders
	22	Is there a long-term succession plan in the company? (If not, explain)	NO	The Company invests in the education of their workers taking in account the requirements of business and the market
	23	Is the remuneration received by the members of the Supervisory or Management Board entirely or partly determined according to their contribution to the company's business performance? (If not, explain)	NO	is defined by the decision of the General Assembly
	24	Is the remuneration to the members of the Supervisory or Management Board determined by a decision of the general assembly or in the articles of association of the company? (If not, explain)	YES	
	25	Have detailed records on all remunerations and other earnings of each member of the management or each executive director received from the company or from other persons related to the company, including the structure of such remuneration, been made public (in annual financial statements)? (If not, explain)	NO	there is no obligation of submitting requested information
	26	Have detailed records on all remunerations and other earnings of each member of the Supervisory or Management Board received from the company or from other persons related to the company, including the structure of such remuneration, been made public (in annual financial statements)? (If not, explain)	NO	because members of Supervisory Board have no other remuneration and no other income from the Company
	27	Does every member of the Supervisory or Management Board inform the company of each change relating to their acquisition or disposal of shares of the company, or to the possibility to exercise voting rights arising from the company's shares promptly and no later than three business days, after such a change occurs? (If not, explain)	YES	

	<b>28</b>	Were all transactions involving members of the Supervisory or Management Board or persons related to them and the company and persons related to it clearly presented in reports of the company? (If not, explain)	NO	there were no such works
	<b>29</b>	Are there any contracts or agreements between members of the Supervisory or Management Board and the company?	NO	see under item 28
	<b>30</b>	Did they obtain prior approval of the Supervisory or Management Board? (If not, explain)	NO	see under item 28
	<b>31</b>	Are important elements of all such contracts or agreements included in the annual report? (If not, explain)	NO	see under item 28
	<b>32</b>	Did the Supervisory or Management Board establish the appointment committee?	NO	members are appointed by majority owners
	<b>33</b>	Did the Supervisory or Management Board establish the remuneration committee?	NO	
	<b>34</b>	Did the Supervisory or Management Board establish the audit committee?	YES	
	<b>35</b>	Was the majority of the audit committee members selected from the group of independent members of the Supervisory Board? (If not, explain)	NO	only one member of the Supervisory Board is committee member
	<b>36</b>	Did the committee monitor the integrity of the financial information of the company, especially the correctness and consistency of the accounting methods used by the company and the group it belongs to, including the criteria for the consolidation of financial reports of the companies belonging to the group? (If not, explain)	YES	
	<b>37</b>	Did the audit committee assess the quality of the internal control and risk management system, with the aim of adequately identifying and publishing the main risks the company is exposed to (including the risks related to the compliance with regulations), as well as managing those risks in an adequate manner? (If not, explain)	YES	
	<b>38</b>	Has the audit committee been working on ensuring the efficiency of the internal audit system, especially by preparing recommendations for the selection, appointment, reappointment and dismissal of the head of internal audit department, and with regard to funds at his/her disposal, and the evaluation of the actions taken by the management after findings and recommendations of the internal audit? (If not, explain)	NO	there were no such case
	<b>39</b>	If there is no internal audit system in the company, did the audit committee consider the need to establish it? (If not, explain)	NO	internal audit system exists since 2011
	<b>40</b>	Did the audit committee monitor the independence and impartiality of the external auditor, especially with regard to the rotation of authorised auditors within the audit company and the fees the company is paying for services provided by external auditors? (If not, explain)	YES	
	<b>41</b>	Did the committee monitor nature and quantity of services other than audit, received by the company from the audit company or from persons related to it? (If not, explain)	YES	

42	Did the audit committee prepare rules defining which services may not be provided to the company by the external audit company and persons related to it, which services may be provided only with, and which without prior consent of the committee? (If not, explain)	YES	it is processed according to Law on Auditing
43	Did the audit committee analyse the efficiency of the external audit and actions taken by the senior management with regard to recommendations made by the external auditor? (If not, explain)	YES	
44	Was the documentation relevant for the work of the Supervisory Board submitted to all members on time? (If not, explain)	YES	
45	Do Supervisory Board or Management Board meeting minutes contain all adopted decisions, accompanied by data on voting results? (If not, explain)	YES	
46	Has the Supervisory or Management Board evaluated their work in the preceding period, including evaluation of the contribution and competence of individual members, as well as of joint activities of the Board, evaluation of the work of the committees established, and evaluation of the company's objectives reached in comparison with the objectives set?	YES	
47	Are detailed data on all earnings and remunerations received by each member of the management or each executive director from the company published in the annual report of the company? (If not, explain)	NO	there is no obligation of submitting requested information
48	Are all forms of remuneration to the members of the management, Management Board and Supervisory Board, including options and other benefits of the management, made public, broken down by items and persons, in the annual report of the company? (If not, explain)	NO	there is no obligation of submitting requested information
49	Are all transactions involving members of the management or executive directors, and persons related to them, and the company and persons related to it, clearly presented in reports of the company? (If not, explain)	NO	there were no such works
50	Does the report to be submitted by the Supervisory or Management Board to the general assembly include, apart from minimum information defined by law, the evaluation of total business performance of the company, of activities of the anagement of the company, and a special comment on its cooperation with the management? (If not, explain)	YES	

#### AUDIT AND MECHANISMS OF INTERNAL AUDIT

Answers to this questionnaire chapter will be valued with a max. 10% of the whole questionnaire valuation of company harmonization with the principles of Corporate Governance Code

Question No.	Questions	Answer YES/NO	Explanation
51	Does the company have an external auditor?	YES	

	<b>52</b>	Is the external auditor of the company related with the company in terms of ownership or interests?	NO	
	<b>53</b>	Is the external auditor of the company providing to the company, him/herself or through related persons, other services?	NO	
	<b>54</b>	Has the company published the amount of charges paid to the independent external auditors for the audit carried out and for other services provided? (If not, explain)	YES	in the notes with the Yearly Financial Report by public notice
	<b>55</b>	Does the company have internal auditors?	YES	
	<b>56</b>	Does the company have an internal audit system in place? (If not, explain)	YES	

#### **TRANSPARANCY AND THE PUBLIC OF ORGANIZATION OF BUSINESS**

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	<b>Question No.</b>	<b>Questions</b>	<b>Answer YES/NO</b>	<b>Explanation</b>
	<b>57</b>	Are the semi-annual, annual and quarterly reports available to the shareholders?	YES	
	<b>58</b>	Did the company prepare the calendar of important events?	NO	is made in the most significant subsidiaries
	<b>59</b>	Did the company establish mechanisms to ensure that persons who have access to or possess inside information understand the nature and importance of such information and limitations related to it?	YES	
	<b>60</b>	Did the company establish mechanisms to ensure supervision of the flow of inside information and possible abuse thereof?	YES	
	<b>61</b>	Has anyone suffered negative consequences for pointing out to the competent authorities or bodies in the company or outside, shortcomings in the application of rules or ethical norms within the company? (if yes, explain)	NO	
	<b>62</b>	Did the management of the company hold meetings with interested investors, in the last year?	YES	
	<b>63</b>	Do all the members of the management, Management Board and Supervisory Board agree that the answers provided in this questionnaire are, to the best of their knowledge, entirely truthful?	YES	