



By virtue of Article 263, paragraph 3 and Article 300.c of the Companies Act, and Article 26, paragraph 1, item 4 of the Articles of Association of CROATIA INSURANCE COMPANY Plc. as of 31 May 2023, at its 25th meeting, held on 8 April 2024, the Supervisory Board adopted the following

REPORT

of the Supervisory Board on Performed Supervision of Business Management of the Company for 2023

In the period between 1 January 2023 and 31 December 2023, the Supervisory Board consisted of the following members:

- Roberto Škopac, Chairman
- dr. sc. Željko Lovrinčević, Vice Chairman
- Hrvoje Patajac, member
- Vitomir Palinec, member
- Zoran Barac, member
- Hrvoje Šimović, member
- Pero Kovačić, member

During business year 2023, the Supervisory Board performed its function with the competence determined by virtue of the Companies Act, the Insurance Act and Articles of Association of CROATIA INSURANCE COMPANY Plc (hereinafter: the Company).

In 2023, the Supervisory Board held a total of thirteen meetings.

Upon review, the Supervisory Board granted its approval to the Management Board for the Company's business policies and financial plan, which are a part of the Company's Plan of business operations in 2023. In accordance with the law, supervision was regularly performed by reviewing the Management Board's reports on the Company's business operations, and additionally through specially requested analyses and reports on particular aspects of the Company's business operations.

Continuous achievement of supervisory function and in the best interest for the Company, clients, and stake holders, accordingly to positive regulations and internal acts, constructive co-operation between Management Board and Supervisory Board also contributed to a large degree. Management Board duly reported to the Supervisory Board on all important business services, course of business, incomes, expenditures and generally regarding the status and operations of

¹ Vitomir Palinec previous term ended on 19 June 2023, elected as a member of the Supervisory Board of CROATIA osiguranje d.d. on General Assembly held on 14 March 2023, for a term starting from 20 of June 2023



the Company and therefore the Supervisory Board assesses that the support of the Management Board in achievement the supervisory role of the Supervisory Board was adequate.

The Supervisory Board reviewed and acknowledged the Annual report on the Work of the Internal Audit for 2023, which was drafted in accordance with the International Standards for Internal Auditing. The Supervisory Board reached the conclusion that the Internal Audit annual plan has been achieved, except for the part of the Transformation audit- project portfolio management, given that during the year there was a change in the Annual Intern Audit Plan for 2023, and the Transformation Project Portfolio Management audit was replaced by the Audit of Calculation of bonuses/incentives for sales employees. Total evaluation of internal controls and system of governance on the basis of audits carried out and other reviews of the Internal Audit is that risks management, internal controls and system of governance are generally satisfactory with some improvements needed, upon which Internal Audit issued its recommendations to responsible managers. The Supervisory Board is informed in timely manner on determined findings and given recommendations through reports on the work of the Internal Audit.

The Supervisory Board considers the work of the Internal Audit as independent, unbiased, and professional in accordance with the Internal Audit Charter and Insurance Law.

The Supervisory Board also reviewed and acknowledged the Report of the Actuary function of the non-life insurance in 2023 for CROATIA INSURANCE COMPANY Plc. and for the Group of CROATIA INSURANCE COMPANY Plc., the Report of the Actuary function of the life insurance in 2023 for CROATIA INSURANCE COMPANY Plc. and for the Group of CROATIA INSURANCE COMPANY Plc., the Report on the Work of the Compliance Department of CROATIA INSURANCE COMPANY Plc. in 2023 and regularly reports of the Risk management key function in accordance with the Insurance Act and European Regulation No. 2015/35 and the amendments thereto.

The Supervisory Board also reviewed and acknowledged the Report on the appropriateness of procedures and efficiency of the internal control system for 2023 and the Report on regularly reassessment of the correctness of the process of announcement and communication of information.

During 2023, the Company timely fulfilled its obligation to inform the Croatian Financial Services Supervisory Agency (hereinafter referred to as HANFA) in accordance with applicable laws and regulations (e.g., annual and quarterly quantitative information of insurance or reinsurance companies for Solvency II, annual and quarterly quantitative information of insurance group for Solvency II, Regular supervisory report on significant changes for the year 2022 at the Company and Group levels, etc.), in the form, deadlines, and prescribed manner of submission. The last direct supervision over the Company was concluded in 2022, and the Management Board regularly reported on this to the Supervisory Board.



Bearing in mind above stated, Supervisory Board evaluated that in 2023 all the business processes made by Management Board of the Company have been in accordance with legal authorities, laws, and regulations and within internal act of the Company, all in the interest of the Company's Stakeholders.

Supervisory Board made a supervision on business processes/activities made by Management Board of the Company in accordance with Decisions made by General Assembly of the Company and confirmed that the Company acted entirely in accordance with adopted decisions by the General Assembly as of March and May 2023.

Pursuant to the provision of Article 65 of the Audit Act (Official Gazette No.127/17, 27/24), regarding Article 264, paragraph 3 of the Companies Act, the Supervisory Board established the Audit Committee, which conducted its affairs pursuant to the provision of the Audit Act, European Regulation No. 537/2014, other regulations, and provisions of the Rules of Procedure of the Audit Committee.

Audit Committee is the expert body which supports the Supervisory Board of the Company through the improvement of the quality of the supervision which the Supervisory Board is obliged to conduct in accordance with the prescribed authorities. Audit Committee held a total of six meetings in 2023, regularly informed the Supervisory Board on recommendations passed at its sessions and submitted the annual work report to the Supervisory Board.

In the period between 1 January 2023 and 31 December 2023, the Audit Committee consisted of the following members:

- Hrvoje Patajac, Chairman;
- dr.sc. Željko Lovrinčević, member;
- ²Vitomir Palinec, member.

Pursuant to the provision of Article 264, paragraph 3 of the Companies Act and Article 24 of the Corporate Governance Code, the Supervisory Board established the Appointment and Remuneration Committee which conducted its affairs pursuant to the Decision of the Supervisory Board on establishing the Appointment and Remuneration Committee and appointment of the Committee members, in accordance with the provisions of the Corporate Governance Code of the Zagreb Stock Exchange and Croatian Financial Services Supervisory Agency, which refer to the role of the Committee.

² Vitomir Palinec was appointed as a member of Audit Committee for a new term starting from 20 June 2023, by the decision of the Supervisory Board



In the period between 1 January 2023 and 31 December 2023, the Appointment and Remuneration Committee consisted of the following members:

- Roberto Škopac, Chairman;
- ³Vitomir Palinec, member;
- Hrvoje Patajac, member.

The Appointment and Remuneration Committee held a total of seven meetings in 2023, regularly informed the Supervisory Board on recommendations passed at its sessions and submitted the annual work report to the Supervisory Board.

At its meeting held on 8 April 2024, the Supervisory Board reviewed the Related Party Report of the Company for 2023 with the Auditor's Report which was drafted in accordance with the Companies Act. The Supervisory Board doesn't have any objection to the Management Board's statement by which the Management Board members stated that, according to the circumstances known at the moment when legal transactions mentioned in the Related Party Report for 2023 were undertaken, the Company received appropriate counteractions and that the said legal transactions didn't cause any damage to the Company.

The Supervisory Board also reviewed the Independent Auditor's Report with expressing a reasonable belief in the Related Party Report of the Company for 2023, which was drafted by Deloitte Ltd. The Supervisory Board doesn't have any objection to the results of the audit presented in the mentioned Audit Report and therefore takes over the statement of the Company's auditor, Deloitte Ltd:

- (a) the allegations stated in the Related Party Report for 2023 are true in all significant determinants;
- (b) in the legal transactions mentioned in the Related Party Report for 2023, by the circumstances known at the time the transactions were undertaken, the value of the Company's action was not, in all significant determinants, inappropriately high;
- (c) there are no circumstances that would indicate a significantly different assessment of the measures stated in the Related Party Report for 2023 than the one given by the Management Board of the Company, all in accordance with Article 497 of the Companies Act.

At its meeting held on 8 April 2024, the Supervisory Board reviewed the Company's Consolidated and Non-consolidated Financial Statements for 2023 and Management Report for 2023 under which by the Companies Act represent the Annual Report on Standing of the

³ Vitomir Palinec was appointed as a member of the Appointment and Remuneration Committee for a new term starting from 20 June 2023



Company and the Group, as well as Corporate Governance Statement, all prepared in accordance with the provisions of the Companies Act, together with the proposal of the Decision on the Utilization of Profit for 2023. Along with the above stated reports, the Report of the Company's Auditor Deloitte Ltd. and the Appointed Certified Actuary's Report were also reviewed.

Upon reviewing the Consolidated and Non-consolidated Financial Statements of CROATIA INSURANCE COMPANY Plc. for 2023 with the Report of the auditing company Deloitte Ltd., the Supervisory Board finds that the balance sheet items reflect the actual proportions of assets and obligations in the business operations of CROATIA INSURANCE COMPANY Plc. in 2023, and it granted its approval for them pursuant to the provision of Article 300.d. of the Companies Act. In respect of the Report of the Company's Auditor Deloitte Ltd., the Supervisory Board believes that the Auditor acted in accordance with professional auditing standards while conducting its affairs, i.e. that the Auditor's Report is duly prepared in that effect.

The Supervisory Board proposes adoption of a Decision on the Utilization of Profit for 2023 at the General Assembly. It has reviewed and acknowledged the Annual Report on Standing of the Company and the Group for 2023, which is in accordance with the audited financial statements.

Based on the presented Consolidated and Non-consolidated Financial Statements of CROATIA INSURANCE COMPANY Plc. for 2023, reviewed and confirmed by the auditing company PricewaterhouseCoopers Ltd., the Supervisory Board finds:

1. that CROATIA INSURANCE COMPANY Plc. conducted its business operations in accordance with the laws of the Republic of Croatia, the Company's acts and decisions of the Company's General Assembly, considering that the Board has no knowledge of any actions of the Company or the Management Board which could be contrary to their respective limitations;
2. that the Annual financial statements are in accordance with the balance recorded in the financial records and that they give an accurate presentation of the Company's assets and business operations.

CHAIRMAN OF THE SUPERVISORY BOARD

Roberto Škopac