



ZAGREBAČKA  
BURZA

*Zagreb Stock Exchange*

# ZAGREB STOCK EXCHANGE, INC. SUPERVISORY BOARD REPORT ON SUPERVISION OF COMPANY OPERATIONS UNDERTAKEN IN 2020

Zagreb, April 2021

**ZAGREBAČKA BURZA d.d.** | Ivana Lučića 2a/22 | Zagreb | [www.zse.hr](http://www.zse.hr) | T. +385 1 4686 800 | F. + 385 1 4677 680

Trgovački sud u Zagrebu | MBS 080034217 | OIB 84368186611

Raiffeisenbank Austria d.d. Zagreb IBAN: HR8324840081100277421

Erste&Steiermarkische bank d.d. IBAN: HR3624020061100517924

Privredna banka Zagreb d.d. IBAN: HR8623400091110306562

PREDSJEDNIK NADZORNOG ODBORA: Borislav Centner | PREDSJEDNICA UPRAVE Ivana Gažić | ČLAN UPRAVE Tomislav Gračan

TEMELJNI KAPITAL 46.357.000,00 HRK u cijelosti uplaćen | 4.635.700 | 10,00 HRK





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BURZA

*Zagreb Stock Exchange*

Contents:

1.	Introduction.....	3
2.	Supervisory Board composition and changes.....	3
3.	Management Board composition and changes.....	4
4.	Report on supervision of the management of Exchange affairs in 2020.....	4
5.	Consistency of financial statements with account balances.....	4
6.	Supervisory Board committees and commissions.....	5
7.	Report on the results of examination of Company's annual financial statements.....	5
8.	Supervisory Board opinion on the auditor's report.....	6
9.	Conclusion.....	6



ZAGREBAČKA  
BURZA

*Zagreb Stock Exchange*

## 1. INTRODUCTION

The Supervisory Board submits the following to shareholders:

- Report on supervision of the management of Zagreb Stock Exchange affairs in 2020, in accordance with the provision of Article 263(3) of the Companies Act;
- Report on examination of the Zagreb Stock Exchange financial statements for 2020, in accordance with the provision of Article 300c of the Companies Act;
- Report on examination of the Management Report on the Zagreb Stock Exchange condition in 2020, in accordance with the provision of Article 300c of the Companies Act;
- Report on the Supervisory Board stance with regard to the 2020 Zagreb Stock Exchange audit report and examination of the proposal for a resolution on the 2020 profit distribution.

## 2. SUPERVISORY BOARD COMPOSITION AND CHANGES

As at 31 December 2020, the Supervisory Board consisted of seven (7) members, namely:

Mr. Borislav Centner, Chairman of the Supervisory Board

Mr. Tomislav Jakšić, Deputy Chairman of the Supervisory Board

Mr. Ivan Tadin

Mr. Matko Maravić

Mr. Ivan Sardelić

Mr. Enrique Bernardo Mariano

Mr. Mislav Ante Omazić.

Dependent members of the Supervisory Board are: Mr. Borislav Centner, Mr. Ivan Tadin and Mr. Matko Maravić.

Independent members of the Supervisory Board are: Mr. Tomislav Jakšić, Mr. Mislav Ante Omazić, Mr. Enrique Bernardo Mariano.

Employee representative on the Supervisory Board: Mr. Ivan Sardelić.

The current Supervisory Board was appointed by resolution of the AGM of the Zagreb Stock Exchange held on 23 February 2018. The employee representative was elected on 19 April 2018.



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*Zagreb Stock Exchange*

### **3. MANAGEMENT BOARD COMPOSITION AND CHANGES**

As at 31 December 2020, the Management Board consisted of two (2) members:

Ms Ivana Gažić, President of the Management Board,

Mr. Tomislav Gračan, Member of the Management Board.

There were no changes to the composition of the Zagreb Stock Exchange Management Board in 2020.

### **4. REPORT ON SUPERVISION OF THE MANAGEMENT OF EXCHANGE AFFAIRS IN 2019**

In 2020, the Supervisory Board of the Zagreb Stock Exchange, Inc. (hereinafter: the Exchange and/or the Company) held a total of eight (8) meetings on the following dates: 24 February, 9 April, 27 April, 25 May, 27 July, 19 October, 23 November and 7 December 2020. At the meetings, the Supervisory Board discussed the overall business operations of the Company, including current and preventive supervision.

Members of the Management Board Ms Ivana Gažić and Mr. Tomislav Gračan also participated in Supervisory Board meetings, presenting particular business areas and providing clarifications necessary to the Supervisory Board. In that respect, the Supervisory Board finds its cooperation with the Management Board to be very successful.

During supervision, the Supervisory Board paid particular attention to examining the legality of business, both with regard to compliance with the applicable legal framework and in relation to compliance with the provisions of the Company's Articles of Association.

The Supervisory Board has accepted all the Management reports submitted in the course of 2020, concluding that the results achieved were within expectations and in line with the current economic environment.



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## **5. CONSISTENCY OF FINANCIAL STATEMENTS WITH ACCOUNT BALANCES**

The Supervisory Board emphasises that, to its best knowledge and based on the data provided to it, the financial statements correspond to the balances stated in the Exchange accounts and that they give a complete, fair and true view of the assets and liabilities of the Company.

The Company has no specific Management Board remuneration policy. The Company's Management Board earns regular employment income and exercises the right to remuneration in accordance with employment contracts.

## **6. SUPERVISORY BOARD COMMITTEES AND COMMISSIONS**

The Supervisory Board has in place a special internal control and audit committee, i.e. the Audit Committee, consisting of the following three (3) members:

Mr. Matko Maravić

Mr. Ivan Tadin

Mr. Enrique Bernardo Mariano.

The Supervisory Board also has a Remuneration Committee, consisting of the following three (3) members:

Mr. Borislav Centner

Mr. Tomislav Jakšić

Mr. Enrique Bernardo Mariano.

The Supervisory Board has a Strategy Committee, consisting of the following five (5) members:

Mr. Matko Maravić

Mr. Borislav Centner

Mr. Enrique Bernardo Mariano

Ms Ivana Gažić

Mr. Tomislav Gračan.

The Supervisory Board also has a Appointment Board, consisting of the following three (3) members:

Mr. Ivan Tadin

Mr. Tomislav Jakšić

Mr. Mislav Ante Omazić.



ZAGREBAČKA  
BURZA

*Zagreb Stock Exchange*

## 7. REPORT ON THE RESULTS OF EXAMINATION OF THE COMPANY'S FINANCIAL STATEMENTS

Within the legal time limit, the Company's Management Board prepared the annual financial statement, which was audited by independent auditors Deloitte Ltd., Zagreb, Radnička cesta 80.

The audited annual financial statement and the consolidated financial statement were submitted to and accepted by the Supervisory Board, which has issued its approval, in accordance with the provisions of the Articles of Association and the Companies Act.

The Supervisory Board has no particular comments on the auditor's report.

The Supervisory Board accepts fully and without reservations the conclusion of the Management Board that the preparation of the financial statements under the going concern assumption is appropriate.

## 8. SUPERVISORY BOARD OPINION ON THE AUDITOR'S REPORT

At its meeting held on 26 April 2021, the Supervisory Board issued its approval of the Management Board resolution to adopt the audited annual financial statement and the consolidated financial statement for the year 2020.

An examination was made of the Independent Auditor's Report, which includes the following in its opinion:

"In our opinion, the financial statements, in all material respects, give a true and fair view of the Company's financial position as at 31 December 2020, its financial performance and cash flows for the year then ended, in accordance with International Standards of Financial Reporting adopted in the European Union."

According to the audited annual financial statement, the Zagreb Stock Exchange posted a net profit of HRK 1,874 thousand in the financial year ended 31 December 2020.

The Supervisory Board has no objection to the Management Board's proposed profit distribution resolution, that is, it accepts the proposal to use the profit of HRK 1,874 thousand to cover the losses from previous years.



ZAGREBAČKA  
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## 9. IN CONCLUSION

In accordance with its obligations, the Supervisory Board has conducted supervision of the Exchange overall business operations.

It emphasises that an examination of the annual financial statement, consolidated financial statement, Report on the condition of the Company as well as regular supervision undertaken in the course of 2020 has found the Management Board to have acted in compliance with applicable regulations, the Articles of Association of the Company, its AGM resolutions, and by adhering to Supervisory Board guidelines and instructions. Therefore, the Supervisory Board proposes to the Annual General Meeting to grant discharge to the Management Board.

A review by the Supervisory Board has determined that the annual financial statements and consolidated financial statements were prepared in accordance with the balances in the accounts of the Exchange and that they give a correct view of the financial and business condition of the Company. Therefore, the Supervisory Board has issued its approval of the annual financial statement and the consolidated financial statement of the Exchange for the year ended 31 December 2020 which, in accordance with the provision of Article 300d of the Companies Act, may be considered determined.

The 2020 financial statements of the Exchange were audited by Deloitte Ltd. auditing company. The Supervisory Board agrees with the Auditor's Report on the audit of the 2020 annual financial statements and has accepted it.

The Supervisory Board has no objection to the proposal for a Management Board resolution on the 2020 profit distribution or to the audited annual financial statement.

The Supervisory Board submits this report to the Annual General Meeting and proposes that the proposal for a Management Board resolution on the 2020 profit distribution be adopted.

Borislav Centner  
Chairman of the Supervisory Board