



Supervisory Board

Established A. D. 2014

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Pursuant to Article 263, Paragraph 3, Article 280, paragraph 3 and Article 300 c and d. of the Companies Act ("Official Gazette" No. 152/11 - consolidated text, 111/12 and 68/13), the Supervisory Board of TANKERSKA NEXT GENERATION D.D. at its 14th meeting held on 7 July 2015 adopted the

SUPERVISORY BOARD'S REPORT ON THE CONDUCTED SUPERVISION OF COMPANY'S OPERATIONS IN THE BUSINESS YEAR 2014

Tankerska Next Generation d.d. founded in Zadar in August 2014 is an owner of a medium range product tanker fleet which provides maritime transportation of petroleum products, chemicals and oil worldwide to large oil companies, national oil companies and crude oil, chemicals and oil traders. Since its establishment until the end of 2014 the company has achieved conditions for listing on the regulated capital market which was finalized in February 2015.

The Supervisory Board report is composed for 2014 and covers the operating period since the incorporation of Tankerska Next Generation Inc. (The Company) on 22 August 2014 to 31 December 2014.

The Company's Supervisory Board (Supervisory Board), has according to its authorities as set under the provisions of the Companies Act and the Company's Articles of Association, continuously monitored the management of the Company during 2014, reaching decisions and conclusions on 5 (five) meetings held during 2014.

The founder of the Company has appointed the Supervisory Board members: Ivica Pijaca – (president), Luka Kolanović, member; Nikola Koščica, member; Ivan Pupovac, member Mario Pavić, member. During 2014, the Company had a single shareholder owning all the shares of the company and all members of the Supervisory board are representatives of that shareholder.



While monitoring the Company's operations during 2014, the Supervisory Board discussed key issues related to the operations of the Company and its subsidiaries and was regularly kept informed by the Management Board. The Supervisory Board was informed by the Management Board on all important business events, the course of business, income and expenses, as well as the general status of the business. Management regularly submitted to the Supervisory Board quarterly, semi-annual and annual written reports on business.

During 2014, the Company was in the process of establishing and setting up business processes, and was not listed on the regulated capital market. Committees of the Supervisory Board, Audit Committee and Remuneration Committee were not appointed during the financial year 2014 taking into account the overall operations and the organizational specifics of the Company so the supervision of the operations and the integrity of the process provided was conducted directly by the Supervisory Board.

After examining the Company's operations management, the Supervisory Board has concluded that in 2014, Company operated in accordance with the laws, Articles of Association and decisions of the General Assembly.

The Supervisory Board has within the statutory period pursuant to Article 300 c of the Companies Act, examined the annual financial statements of the Company and its subsidiaries for the year ending 31 December 2014 together with independent auditors report Deloitte d.o.o. Zagreb, Zagrebtower, Radnička 80, (Auditor), submitted by the Management Board.

The Supervisory Board established that the Annual financial statements of the Company (non-consolidated) for the year ending 31 December 2014 are prepared in accordance with the accounting records of the Company and indicate the correct asset and business status of the Company and its subsidiaries.

The Company operates in a specific business environment where business processes and arranging reports is specifically regulated with the Maritime Code, which prescribes the manner of keeping the books, reporting and other regulatory obligations required by government.

In accordance with such findings, Supervisory Board agrees with the annual financial statements for 2014 and the Auditor's opinion, which are the basis of article 300 of the Companies Act, by which the Management Board and the Supervisory Board determined the annual financial statements of the Company.

Integral parts of the financial report of Company and its subsidiaries for the year ended 31 December 2014 are: 1. Statement of profit and loss and other comprehensive income, 2. Statement of financial position; 3. Statement of Cash Flows; 4. Statement of changes in equity; 5. Notes to the Financial Statements; 6. Annual Report on the Company and its subsidiaries and 7. Auditor's Independent Opinion.

The Supervisory Board has examined the Annual Report of the Management Board of the Company and its subsidiaries and on the Status of the Company and its subsidiaries for 2014 and found that it



adequately and impartially presents the current business situation and the situation of the Company and its subsidiaries. Pursuant to this finding, the Supervisory Board accepted the Management Board report on the Company and its subsidiaries for the year 2014.

Management has presented to the Supervisory Board a proposal of the Decision on distribution of profit for 2014, which stipulates that the Company's profit for 2014 amounts to HRK 11,887,499.76, and suggests that the same amount be allocated to retained earnings, in full.

The Supervisory Board agrees with this proposal of the decision on profit distribution of Tankerska Next Generation d.d. for 2014 and proposes to the General Assembly adoption of such a decision.

Chairman of the Supervisory Board

Ivica Pijaca