

## CORPORATE GOVERNANCE STATEMENT

Intereuropa, d. d. is a public limited company, i.e. a public-interest entity, with a two-tier governance system. Corporate governance is based on the laws of the Republic of Slovenia, the Articles of Association, internal acts and the Corporate Governance Policy of Intereuropa, d. d. The Company's Articles of Association and the rules of procedures of individual bodies are accessible on the Company's website at [www.intereuropa.si](http://www.intereuropa.si), in the 'Corporate Governance' section under the 'Investors' tab. The principal guidelines of corporate governance are transparent operations, the clear segregation of responsibilities and tasks between bodies, continuous concern for the independence and loyalty of the members of management and supervisory bodies, and the continuous implementation of improvements to increase the effectiveness of governance.

In 2019, the Company applied the Slovenian Corporate Governance Code, which was adopted by the Ljubljana Stock Exchange and the Slovenian Directors' Association on 27 October 2016, as its reference code.

The Company formally began to apply the Corporate Governance Code for Companies with Capital Assets of the State (SDH Code) in 2020. The SDH Code was first adopted by the Management Board of SDH on 17 December 2014. That code has been updated a total of three times. The Company will begin implementing the recommendations of the SDH Code in 2020. Based on a gap analysis between the previously applied Slovenian Corporate Governance Code and the SDH Code, it will implement those recommendations it deems appropriate with respect to the Company's ownership structure, the activities that it performs and other potential specificities of the Company. The Company will apply the Corporate Governance Code for Companies with Capital Assets of the State as its reference code in 2020. Potential deviations will be explained in substantive terms in the corporate governance statement in the 2020 annual report.

## GENERAL MEETING OF SHAREHOLDERS

The Company's share capital is divided into 16,830,838 ordinary registered no-par-value shares and 10,657,965 no-par-value preference shares. Each no-par-value share represents the same stake and corresponding amount in the Company's share capital. The stake of individual no-par-value shares in the Company's share capital is determined with respect to the number of no-par-value shares issued. No-par-value shares may not be split.

Ordinary no-par-value shares provide their holders the following rights:

- the right to participate in the management of the Company (voting right);
- the right to a share in profits; and
- the right to a corresponding portion of residual assets after the liquidation or bankruptcy of the Company.

No-par-value preference shares provide their holders the following rights:

- the right to a share in profits; and
- the right to a corresponding portion of residual assets after the liquidation or bankruptcy of the Company.

Preference shares give their holders priority in the sharing of profits in the amount of EUR 0.01 (zero point zero one; preferential amount) per share. The preferential amount is paid out in addition to the share in profits received by the holders of ordinary shares, in accordance with the relevant resolution on the use of distributable profit.

## Functional bases and method of convocation

Shareholders exercise their right to participate in the management of the Company at the General Meeting of Shareholders. The competences, responsibilities and functioning of the General Meeting of Shareholders are governed by the Companies Act, the Company's Articles of Association and the Rules of Procedure of the General Meeting of Shareholders, which are published on the Company's website in the 'Corporate Governance' section under the 'Investors' tab.

The General Meeting of Shareholders may be convened by the Company's Management Board at its own initiative, or at the request of the Supervisory Board or shareholders. The annual General Meeting of Shareholders is typically convened by the end of June every year. The Company informs shareholders in a timely manner about the convocation of the General Meeting of Shareholders, which is published on the websites of the AJ PES and Intereuropa, d. d., and via the Ljubljana Stock Exchange's SEOnet system.

Materials for the General Meeting of Shareholders, including proposed resolutions for all points on the agenda, are available for viewing at the Company's headquarters in Koper, in the Ljubljana Stock Exchange's SEOnet system and on the Company's website in the 'Corporate Governance' section under the 'Investors' tab, from the date of convocation until the day the General Meeting of Shareholders is held. Proposed resolutions also include the relevant justifications, which provide shareholders sufficient information to make prudent decisions.

Transparency is one of the bases of corporate governance at Intereuropa, d. d. The Company therefore encourages all major shareholders to inform the public of their governance policy. To that end, the convocation of the General Meeting of Shareholders included a call to major shareholders to publicly disclose, at a minimum, their voting policy, the type and frequency of governance activities, and the dynamics of communication with the Company's management and supervisory bodies.

The main competences of the General Meeting of Shareholders are as follows:

- the adoption of the annual report;
- decisions regarding the use of distributable profit;
- the appointment and recall of members of the Supervisory Board;
- the conferral of official approval on the members of management or supervisory bodies;
- decisions regarding amendments to the Articles of Association;
- decisions regarding measures to increase and decrease capital;
- decisions regarding the winding-up of the Company, and status transformations; and
- the appointment of an external auditor.

In most cases, the General Meeting of Shareholders makes decisions by a majority of votes cast. The General Meeting of Shareholders makes decisions regarding certain important matters with a three quarters majority of represented share capital. Those matters include:

- amendments to the Articles of Association;
- decreases or increases in share capital;
- changes to the Company's status;
- the early recall of members of the Supervisory Board; and
- other cases, if so provided for by law or the Company's Articles of Association.

### Conditions for attendance and communication with shareholders

Only shareholders entered in the Company's share register (managed by the Central Securities Clearing Corporation or KDD) and their authorised representatives or proxies who have registered to attend in writing by no later than the close of business on the fourth day prior to the General Meeting of Shareholders have the right to attend and exercise voting rights at the General Meeting of Shareholders. An authorised representative of a shareholder must also submit authorisation when they register. Each share entitles its holder to one vote. Only the holders of ordinary no-par-value shares have the right to vote. The holders of preference shares do not have voting rights, unless the preference amount is not paid within one year, or is not paid in full and the remainder is not paid the following year. Shares have voting rights until that remainder is paid.

According to the Company's Articles of Association, preference amounts should have been paid for the first time with the payment of profits for 2013. Given that the Company did not pay preference amounts for 2013 or 2014, the holders of preference shares obtained voting rights in 2015. Since that time, preference shares are also included in the calculation of controlling interests as required by the law and the Articles of Association. The holders of preference shares will retain voting rights until the Company pays them all preference amounts.

Intereuropa, d. d. encourages the active participation of the maximum number of small shareholders at the General Meeting of Shareholders. Thus, the materials published when the General Meeting of Shareholders is convened also include sample registration and authorisation forms. The Company's website also has an 'Investors' tab, where small shareholders and other investors will find information regarding corporate governance and annual and interim reports, in addition to information regarding the General Meeting of Shareholders.

Shareholders are briefed on adopted resolutions immediately following the conclusion of the General Meeting of Shareholders, on the Company's website and in the Ljubljana Stock Exchange's SEOnet system.

## General Meeting of Shareholders in 2019

Two general meetings were held in 2019. The 32nd annual General Meeting of Shareholders of Intereuropa, d. d. was held on 27 June 2019. In accordance with paragraph 2 of Article 315 of the ZGD-1, the holders of preference shares held voting rights during the General Meeting of Shareholders. A total of 82.21% of shareholders with voting rights were present. The General Meeting of Shareholders discussed the following points and adopted the following significant resolutions:

- It was briefed on the annual report of the Intereuropa Group for 2018, together with the auditor's opinion, and on the Supervisory Board's written report on the verification of the annual report compiled for 2018.
- It adopted a resolution, whereby distributable profit in the amount of EUR 4,034,131.80 will remain undistributed.
- It approved the work of the Company's Supervisory Board and Management Board during the 2018 financial year, and conferred official approval on both bodies for their work in 2018.
- It appointed the audit firm ERNST & YOUNG Revizija, poslovno svetovanje, d. o. o., Dunajska cesta 111, 1000 Ljubljana as auditor for 2019, 2020 and 2021.
- It appointed Jože Golobič to serve a four-year term of office as member and shareholder representative of the Supervisory Board, effective 27 June 2019.
- It adopted amendments to the Articles of Association, through which the General Meeting of Shareholders introduced joint representation of the Company by two members of the Management Board.

Based on the proposal of the majority shareholder Pošta Slovenije, d. o. o., an extraordinary General Meeting of Shareholders was convened on 30 December 2019. In accordance with paragraph 2 of Article 315 of the ZGD-1, the holders of preference shares held voting rights during the General Meeting of Shareholders. A total of 72.17% of shares with voting rights were represented at the 33rd General Meeting of Shareholders. The General Meeting of Shareholders discussed the following points and adopted the following significant resolutions:

- It was briefed on the letters of resignation from members and shareholder representatives of the Supervisory Board, and opted to terminate their membership on the Supervisory Board.
- It appointed the following persons to serve four-year terms of office as members and shareholder representatives on the Supervisory Board, effective 30 December 2019.
  - Boris Novak, MSc
  - Andrej Rihter, MSc
  - Vinko Filipič, and
  - Milan Perović.
- A minor change to the Articles of Association was also adopted for the purpose of harmonisation with valid legislation.

The full text of resolutions adopted by the General Meeting of Shareholders is available on the Company's website at [www.intereuropa.si](http://www.intereuropa.si), in the subsection 'General Meeting of Shareholders' under the 'Investors' tab.

## SUPERVISORY BOARD

### Composition of the Supervisory Board and its committees

Intereuropa, d. d.'s Supervisory Board comprises six members, four of whom are shareholder representatives and two of whom are employee representatives. Members serve a four-year term of office, with the possibility of re-appointment. Supervisory Board members who represent the interests of shareholders are elected by the General Meeting of Shareholders. Employee representatives are elected by the Works Council of Intereuropa, d. d. The General Meeting of Shareholders is only briefed on their election. The Supervisory Board supervises the management of the Company's operations and is fully liable for the performance of its supervisory function.

## COMPOSITION OF INTEREUROPA, D. D.'S SUPERVISORY BOARD AND ITS COMMITTEES DURING THE 2019 FINANCIAL YEAR

Name and surname	Function (Chairman, deputy, member of the Supervisory Board)	Initial appointment to function	End of function/ term of office	Shareholder/employee representative	Attendance at sessions with respect to total no. of sessions (e.g. 5/7)	Gender	Nationality	Year of birth	Qualifications
Vojko Čok	Chairman (from 25 October 2017)	10 September 2017	29 December 2019	Shareholder representative	15/15	M	Slovene	1948	bachelor's degree in economics
Matija Vojsk, MSc	Member	30 June 2017	12 November 2019	Shareholder representative	13/15****	M	Slovene	1963	MSc, MBA
Rok Rape, DSc	Member	10 September 2017	29 December 2019	Shareholder representative	15/15	M	Slovene	1965	DSc, MBA
Jure Fišer	Member	20 June 2015	19 June 2019	Shareholder representative	7/7****	M	Slovene	1971	bachelor's degree in economics
Jože Golobič	Member	20 June 2019	30 December 2019	Shareholder representative	8/8****	M	Slovene	1973	bachelor's degree in law
Tjaša Benčina	Deputy Chairperson until 12 January 2020	20 November 2017	19 November 2021	Employee representative	15/15	F	Slovene	1968	Hold a degree in economics.
Zlatka Čretnik	Member	20 November 2017	19 November 2021	Employee representative	15/15	F	Slovene	1968	degree in economics (higher education)
Boris Novak, MSc	Chairman (since 13 January 2020)	30 December 2019	29 December 2023	Shareholder representative	/	M	Slovene	1963	bachelor's degree and master's degree in law
Andrej Rihter	Deputy Chairman (since 13 January 2020)	30 December 2019	29 December 2023	Shareholder representative	/	M	Slovene	1970	bachelor's degree and master's degree in traffic technology engineering
Vinko Filipič	Member (since 30 December 2019)	30 December 2019	29 December 2023	Shareholder representative	/	M	Slovene	1971	bachelor's degree in economics
Milan Perović	Member (since 30 December 2019)	30 December 2019	29 December 2023	Shareholder representative	/	M	Slovene	1964	bachelor's degree in economics

\* The Supervisory Board met at a total of 15 sessions in 2019.

\*\* The Supervisory Board's Audit Committee met at 14 sessions.

\*\*\* The Supervisory Board's Nomination and Remuneration Committee met at a total of four sessions.

\*\*\*\*Present at all sessions in their function as member of the Supervisory Board.

The Supervisory Board had two functioning committees in 2019: the Audit Committee and the Nomination and Remuneration Committee.

Professional profile	Independence according to Article 23 of the Code (YES/NO)	Existence of conflicts of interest during financial year (YES/NO)	Membership on supervisory bodies of other companies	Membership on committees (e.g. audit, human resource, or remuneration)	Chairman /member	Attendance at sessions of Audit Committee with respect to total no. of sessions (e.g. 5/7)	Attendance at sessions of the Nomination and Remuneration Committee with respect to total no. of sessions (e.g. 5/7)
Corporate governance, finance and management	Yes	No	Sanpaolo Intesa BIH, Sanpaolo Intesa Albania	Member of the Nomination and Remuneration committee from 25 October 2017 to 29 December 2019	Member	/	4/4
Sales and marketing, procurement, corporate governance, business restructuring, performance management	Yes	No	/	Member of the Audit Committee and chairman from 25 October 2017 to 12 November 2019	Chairman	12/12****	/
Management, restructuring and development of operations	Yes	No	/	Member of the Audit Committee and deputy chairman from 25 October 2017 to 30 December 2019	Deputy chairman	14/14	/
Corporate governance and management	Yes	No	/	Chairman of the Nomination and Remuneration committee from 25 October 2017 to 19 June 2019	Member of the Audit Committee and chairman of the Nomination and Remuneration Committee	/	3/3****
Legal affairs, corporate governance and corporate customers	Yes	No	Member of the Supervisory Board of Elektro Maribor, d. d. and member of the Supervisory Board of Unior, d. d.	Chairman of the Nomination and Remuneration committee from 19 July 2019 to 29 December 2019	Chairman	/	1/1****
Finance and logistics	Yes	No	Member of the Supervisory Board of the Municipality of Koper	Member of the Nomination and Remuneration Committee since 21 November 2017	Member	/	4/4
Finance and logistics	Yes	No	/	Member of the Audit Committee since 21 November 2017	Member	14/14	/
Corporate governance	No	No	Športna loterija, d. d.	Member of the Nomination and Remuneration Committee since 13 January 2020	Member	/	/
Logistics, investments and procurement	No	No	SiDG, d. o. o.	Chairman of the Nomination and Remuneration Committee since 13 January 2020	Chairman	/	/
Finance, accounting, controlling, internal auditing	No	No	/	Member of the Audit Committee and deputy chairman of the Audit Committee since 13 January 2020	Deputy chairman	/	/
Finance and controlling	Yes	No	/	Member of the Audit Committee since 13 January 2020	Chairman	/	/

## Audit Committee

The Audit Committee functioned in the following composition in 2019:

- Matija Vojsk, MBA (member and chairman until 11 November 2019),
- Milan Perović (member and chairman since 13 January 2020),
- Rok Rape, DSc (member and deputy chairman until 29 December 2019),
- Vinko Filipič (member and deputy chairman since 13 January 2020),
- Zlatka Čretnik (member),
- Barbara Nose (independent expert and member until 12 January 2020), and
- Barbara Gorjup, MSc (independent expert and member since 13 January 2020).

The Audit Committee functioned in accordance with its competences, and in the manner set out in the ZGD-1, the Corporate Governance Policy of Intereuropa, d. d., the Internal Audit Department's charter and the Rules of Procedure of the Audit Committee. Details regarding the work of the Audit Committee are presented in the report of the Supervisory Board.

## Nomination and Remuneration Committee

The Nomination and Remuneration Committee met at four sessions in 2019, where it primarily discussed topics relating to the appointment of the President of the Management Board and the conclusion of contracts with members of the Management Board. The committee's work is presented in more detail in the report of the Supervisory Board. The committee functioned in the following composition:

- Jure Fišer (chairman until 19 June 2019),
- Jože Golobič (chairman from 19 July 2019 to 29 December 2019),
- Vojko Čok (member until 29 December 2019),
- Tjaša Benčina (member),
- Andrej Rihter, MSc (chairman since 13 January 2020), and
- Boris Novak, MSc (member since 13 January 2020).

## Competences, work method and remuneration of the Supervisory Board

The Supervisory Board functions within the scope of its competences and in the manner set out in the ZGD-1, the Company's Articles of Association and the Rules of Procedure of the Supervisory Board. The Supervisory Board's commitments regarding corporate governance are set out in Intereuropa, d. d.'s Corporate Governance Policy, and include a system for identifying conflicts of interest and ensuring the independence of its members. All members of the Supervisory Board signed a statement underlining their positions on the criteria of independence set out in Annex B: Conflicts of interest in respect of the Slovenian Corporate Governance Code. Those statements are published on the Company's website at [www.intereuropa.si](http://www.intereuropa.si).

Regular sessions of the Supervisory Board must be held at a minimum quarterly. The Rules of Procedure of the Supervisory Board define the areas of the aforementioned body's work. The Supervisory Board reports on its work at the General Meeting of Shareholders.

Information regarding the remuneration of members of the Supervisory Board and its committees during the 2019 financial year is disclosed in the financial report of Intereuropa, d. d., in note no. 28 Other explanations.

## MANAGEMENT BOARD

The tasks and areas of responsibility of the Management Board are defined in the Company's Corporate Governance Policy, while the aforementioned body's work method is set out in the Rules of Procedure of the Management Board and the Company's Articles of Association. The latter states that the Management Board shall comprise a maximum of four members, while the Supervisory Board defines the number of members taking into account the principles of efficiency and economy. Intereuropa, d. d.'s Management Board comprised three members in 2019. The Company's Management Board comprised the President and two other members. It managed the Company's transactions independently and at its own risk. Individual members of the Management Board represented the Company independently and were responsible for specific work areas in accordance with the Rules of Procedure of the Management Board.

## Work of the Management Board in 2019

The Management Board managed Intereuropa, d. d. and the Intereuropa Group in accordance with established strategic objectives and policies. In performing its tasks and fulfilling its responsibilities, the Management Board observed the principles of corporate governance and the Corporate Governance Policy of Intereuropa, d. d., and complied with the provisions of the Corporate Governance Code. It performs its work in accordance with the principles set out in Intereuropa, d. d.'s Code of Ethics, applicable regulations, the Rules of Procedure of the Management Board, the Company's Articles of Association and the resolutions adopted by the Company's bodies.

## Remuneration of the Management Board

The remuneration received by Management Board members comprises fixed and variable components, and is proportionate to their tasks and the financial position of the Company. The variable component of remuneration is dependent on the performance of the Company, which is determined by the Supervisory Board based on whether the objectives set out in the annual business plan have been achieved or exceeded. The Management Board is also entitled to participate in the Company's profit. The decision in that regard is made by the General Meeting of Shareholders based on a justified proposal by the Supervisory Board.

Information regarding the remuneration of members of the Management Board during the 2019 financial year is disclosed in the financial report of Intereuropa, d. d., in note no. 28 Other explanations.

## COMPOSITION OF THE MANAGEMENT BOARD DURING THE 2019 FINANCIAL YEAR

Name and surname	Function (Chairman, member)	Area of work on the Management Board	Initial appointment to function	End of function/ term of office	Gender
Marko Cegnar	President of the Management Board**	Forwarding and logistics, sales and marketing	19 March 2016	Until no later than 11 November 2020	M
Marko Rems	Member of the Management Board	Finance, accounting and controlling, real estate management and central procurement, and IT support	5 July 2017	4 July 2021	M
Matija Vojsk, MBA	Member of the Management Board	Quality, legal affairs, corporate integrity and compliance, security and formal governance of subsidiaries	12 November 2019	Until no later than 11 November 2020	M
Ernest Gortan, MSc	President of the Management Board**	Human resource and general affairs, quality, legal affairs, internal auditing, public relations.	10 June 2009	11 November 2019	M

\* The term of office of Ernest Gortan, MSc was terminated early following his recall on 11 November 2019.

\*\* Marko Cegnar was appointed to the function of President of the Management Board on 12 November 2019 for a period of no more than one year. He served as a member of the Management Board from 19 March 2016 until 11 November 2019, inclusive.

## Members of the Management Board in 2019



### Marko Cegnar,

President of the Management Board since 12 November 2019 (member until 11 November 2019):

- Year of birth: 1973;
- master's degree in management;
- performed executive and senior management functions in the areas of sales, marketing, procurement and logistics at DHL logistika, d. o. o., Orbico, d. o. o., ITG Tobačna Grosist, d. o. o., ISS SERVISYSTEM, d. o. o. and DHL Express, d. o. o.;
- term of office as President of the Management Board: from 12 November 2019 to 11 November 2020;
- term of office as member of the Management Board: from 19 June 2016 to 11 November 2019;
- responsible for forwarding and logistics, sales and marketing, human resource and general affairs, and public relations.



### Marko Rems,

member of the Management Board:

- Year of birth: 1967;
- bachelor's degree in economics;
- performed executive and senior management functions in the areas of finance, accounting, information technology, controlling and risk management at the following companies: Družba za upravljanje terjatev bank, d. d., Ljubljana, Luka Koper, d. d., Adriatic Slovenica, d. d., KD Holding, d. d., Ljubljana and Žito, d. d., Ljubljana;
- term of office: from 5 July 2017 to 4 July 2021;
- responsible for the areas of finance, accounting and controlling, real estate management, central procurement and IT support.



Nationality	Year of birth	Qualifications	Professional profile	Membership in supervisory bodies of company/ unaffiliated companies
Slovene	1973	master's degree in management	Sales, marketing and logistics	Not a member
Slovene	1967	bachelor's degree in economics	Financial management with more than 20 years of experience in financial and information systems, implementation and management of financial restructuring, and reorganisation in demanding environments.	Not a member
Slovene	1963	master's degree in management, MBA, bachelor's degree in electrical engineering	Sales and marketing, procurement, corporate governance, business restructuring, performance management	Not a member
Slovene	1968	master's of science	Corporate governance, financial and business restructuring, and development of operations.	Not a member



#### **Mag. Matija Vojsk,**

MSc, member of the Management Board:

- Year of birth: 1963;
- master's degree in management, MBA, bachelor's degree in electrical engineering
- his business experience includes strategic and operational sales, marketing, strategic procurement and corporate governance. He served in executive roles in various economic sectors as a member of management boards and as executive director;
- he also worked for several years as a business consultant, four of those in a leading global network for auditing and consultancy services;
- term of office: since 12 November 2019 for a maximum of one year;
- responsible for quality, legal affairs, corporate integrity and compliance, security, formal governance of subsidiaries and internal auditing in organisational terms.



#### **Mag. Ernest Gortan,**

MSc, President of the Management Board from 1 January 2019 to 11 November 2019:

- Year of birth: 1968;
- bachelor's degree in electrical engineering and master's degree in management;
- performed executive and senior management functions in the areas of marketing and logistics at Luka Koper, d. d. and BTC Terminal Sežana, d. d., where he served as President of the Management Board, and at Secom, d. o. o.;
- responsible for human resource and general affairs, quality, legal affairs, internal auditing and public relations.

## DESCRIPTION OF THE DIVERSITY POLICY IN CONNECTION WITH REPRESENTATION ON THE COMPANY'S MANAGEMENT AND SUPERVISORY BODIES

Intereuropa, d. d. is aware of the importance of diversity in the composition of the Management Board and Supervisory Board. Diversity increases the efficiency of the functioning of these bodies and fosters a more comprehensive understanding of the business environment, and risks and opportunities connected with the Intereuropa Group's operations. Accordingly, the Policy Governing the Diversity of Management and Supervisory Bodies is an integral part of the Corporate Governance Policy of Intereuropa, globalni logistični servis, d. d.

The following aspects are taken into account when determining the composition of the Management Board and Supervisory Board:

- professional diversity such that the members have different knowledge, skills, competences and experience;
- diversity in terms of gender and age;
- the generally adopted principles of non-discrimination; and
- efforts to ensure the continuity of the work of bodies by staggering the process of replacing members.

The Supervisory Board's Nomination and Remuneration Committee and the Supervisory Board take into account diversity policies primarily in relation to the following:

- the appointment of members to the Company's Management Board;
- the recruitment, selection and submission of proposed candidates for members of the Supervisory Board to the General Meeting of Shareholders; and
- the self-assessment of the Supervisory Board's work, which should also include an assessment of the composition of the Management Board and Supervisory Board in terms of diversity.

## MANAGEMENT AND GOVERNANCE OF GROUP COMPANIES

Governance of the Group is one of the four key pillars of the Strategic Plan of the Intereuropa Group for the period 2018 to 2022. The parent company Intereuropa, d. d. and its subsidiaries make up the Group, which is centrally managed by the Management Board of Intereuropa, d. d. The policy governing links between the parent company and its subsidiaries is set out in the Corporate Governance Policy of Intereuropa, d. d. The Policy on the Governance of Intereuropa Group Subsidiaries includes the basic elements of the governance of subsidiaries. An effective system for managing and governing subsidiaries is an important factor in the successful achievement of the business objectives of Group companies and in the transparency of their operations.

### Governance principles for subsidiaries

The basic principles on which the governance of the Intereuropa Group is based are the financial stability of the Group, centralised information support, an effective system of control over subsidiaries and motivated employees.

At the forefront of the governance of subsidiaries are cooperation between subsidiaries and the sharing of know-how and best practices between Intereuropa Group companies.

The governance of Group companies is based on a combination of control and coordination mechanisms. A project was implemented in 2019 aimed at updating corporate governance within the Intereuropa Group. The main objectives of that update are the introduction of a matrix system for managing subsidiaries and the direct responsibility of functional managers for certain activities at subsidiaries, the appointment of specialists to the supervisory bodies of subsidiaries and the introduction of the four-eyes principle. Established during the introduction of the matrix management system was a subsidiary governance system with the centralised management of certain processes, and an increase in the competences and responsibilities of functional managers at the Group level. The centralisation of the most important decisions ensures the uniformity of strategic policies and important business, HR-related and technical decisions. Control over financial results remains a core element of supervision. In addition to the appointed supervisory bodies of individual subsidiaries, functional managers, and the controlling and internal audit departments also play an important role in supervision.

The management bodies of the parent company and subsidiaries communicate regularly with the aim of creating a standard culture within the Intereuropa Group, ensuring the transfer of know-how and best practices, and exploiting various synergies. Of key importance are cooperation and communication between all Intereuropa Group companies at the market-operational level of specific product categories and products.

The effectiveness of the Group at multiple operational levels is achieved through consistent periodic communication and the necessary measures to enhance the exploitation of synergies between Intereuropa Group companies, particularly in the following areas:

- a coordinated and uniform market approach, with an emphasis on common logistics products and core product categories;
- the coordinated management of strategic and key customers;
- the development and optimisation of common logistics products;
- the development of standard IT support at all subsidiaries and for all logistics products;
- the transfer of best practices in the optimisation of processes and in preventive measures to manage risks; and
- employee development, with an emphasis on the acquisition and development of knowledge and competences relating to core product categories and key logistics products.

Intereuropa Group companies operate in accordance with local legislation, resolutions adopted by the management bodies of the parent company and subsidiaries, the Policy on the Governance of Intereuropa Group Subsidiaries, cooperation agreements entered into between the parent company and individual subsidiaries, and the applicable internal acts adopted by the Management Board of the parent company.

## AUDITING

### External auditing

The Company's General Meeting of Shareholders appointed the audit firm ERNST & YOUNG Revizija, poslovno svetovanje, d. o. o., Dunajska cesta 111, 1000 Ljubljana to audit the financial statements of Intereuropa, d. d. and the Intereuropa Group for 2019, 2020 and 2021.

The transactions of Intereuropa, d. d. and its subsidiaries with audit firms are presented in the Company's financial report as part of the notes to financial statements of the Company and Group.

### Internal auditing

Internal auditing tasks are performed within the Group by the parent company's autonomous and independent Internal Audit Department, which reports organisationally to the Management Board and functionally to the Supervisory Board's Audit Committee. The basis for the department's work is set out in the Internal Audit Department's Charter and Rules of Procedure. In addition to the aforementioned core documents, the Internal Audit Department also takes into account the International Standards for the Professional Practice of Internal Auditing, the Professional Code of Ethics of Internal Auditors, the Code of Internal Auditing Principles, applicable laws, and other regulations and internal acts. An independent external assessment in 2019 confirmed that the department's work is in line with the International Standards for the Professional Practice of Internal Auditing.

The core task of the Internal Audit Department is to study and assess the appropriateness, success and effectiveness of internal controls in terms of managing all types of risks to which Intereuropa Group companies are exposed. The department's objective is to help the senior management of Intereuropa Group companies improve corporate governance and risk management, and to improve performance and the efficiency of operations in the scope of the Group's adopted development strategy, and business and financial plans.

The areas of auditing for 2019 were defined in the department's work plan, which was adopted by the Management Board, discussed by the Audit Committee of the Supervisory Board and approved by the latter. The tasks of the Internal Audit Department in 2019 included the completion of internal audits from the previous year, the performance of current internal audits and advisory tasks, the monitoring of the implementation of recommendations from internal and external audits, and operational and other tasks. Internal audits were performed at the parent company and at three subsidiaries. One internal audit was performed by an external IT auditor, while other audits were performed by internal human resources who received professional training in accordance with the work plan. The objectives of internal audits were to assess the risk management approach and the functioning of internal controls in connection with business and support processes, and the management thereof, both in terms of the compliance of those processes with legal and internal regulations, and in terms of the success and effectiveness of processes with regard to the adopted policies, established objectives and criteria of the Company, and to issue recommendations for the improvement thereof. Areas subject to auditing included groupage and road transport, the management of customs terminals, the public customs warehouse, the automated controls of the information system, the procurement and sales functions, and technical and physical security. The Internal Audit Department reports regularly to the Management Board, Audit Committee and Supervisory Board regarding its work.

## DESCRIPTION OF THE MAIN FEATURES OF INTERNAL CONTROLS AND RISK MANAGEMENT AT THE COMPANY IN CONNECTION WITH THE FINANCIAL REPORTING PROCESS

The purpose of internal controls is to ensure the reliability of financial reporting and compliance with valid laws, and other external and internal regulations. Accounting controls are employed to manage the risks associated with the following:

- the credibility of accounting data: of primary importance are bookkeeping documents, as evidence of the existence of business events, that clearly show the content and value of such transactions;
- the completeness of financial data: this is ensured by the Company through precisely defined record-keeping procedures in internal acts, and through control over the functioning of such procedures;
- the accuracy of financial data: this is ensured by the Company through a comparison of data in the information system with data in the underlying bookkeeping documents; and
- the segregation of responsibilities in business processes and authorisations for work in the information system: the precise and consistent definition of tasks and responsibilities of those involved in a specific business event.

When compiling the financial statements of the Group and the notes thereto, risks are mitigated primarily through:

- the transparent organisational structure of the parent company and its subsidiaries;
- the consistent application of accounting principles and policies; and
- the observation of the timetable for the compilation of the financial statements and the notes thereto.

The information system, with its built-in controls, also plays an important role. The authorisation system ensures that users only execute those transactions in the information system for which they are authorised.

## INFORMATION REGARDING SIGNIFICANT DIRECT AND INDIRECT HOLDINGS OF THE COMPANY'S SECURITIES IN TERMS OF ACHIEVING A QUALIFYING HOLDING, SPECIAL CONTROLLING RIGHTS AND RESTRICTED VOTING RIGHTS, AND OTHER EXPLANATIONS IN CONNECTION WITH LEGISLATION GOVERNING MERGERS AND ACQUISITIONS

### Explanations regarding all restrictions on voting rights and regarding treasury shares

The Company's share capital is divided into 27,488,803 shares broken down as follows: 16,830,838 ordinary registered freely transferable no-par-value shares and 10,657,965 freely transferable no-par-value preference shares. The holders of Intereuropa, d. d.'s ordinary shares are not subject to any restriction on voting rights. The Company has no voting rights arising from its treasury shares in accordance with Article 249 of the Companies Act (ZGD-1). Intereuropa, d. d. held 18,135 treasury shares (IEKG) with a carrying amount of EUR 180,000 as at 31 December 2019, representing 0.1077% of ordinary shares and 0.0660% of all shares. Intereuropa, d. d. did not purchase or sell treasury shares in 2019.

As at 31 December 2019, 115 ordinary shares were held on a special account of Kapitalska družba, d. d., which in accordance with Article 48a of the Book-Entry Securities Act (Official Gazette of the Republic of Slovenia, No. 5/17) is intended for securities waived by their holders and/or securities held by the Republic of Slovenia. Kapitalska družba may not exercise the voting rights attached to those securities.

The holders of Intereuropa, d. d.'s preference shares have not been paid preference amounts since 2013, and have thus held voting rights at the General Meeting of Shareholders since 2015 in accordance with paragraph 2 of Article 315 of the ZGD-1. Accordingly, 27,470,553 shares out of a total of 27,488,803 shares had voting rights at the 34th General Meeting of Shareholders held 30 December 2019, representing 99.9336% of the Company's total shares.

### Major direct and indirect holdings of the Company's securities in terms of achieving a qualifying holding

The Company publishes information in a timely manner regarding the achievement of a qualifying holding, as set out in the Takeovers Act, in the Ljubljana Stock Exchange's electronic information system (SEOnet) and forwards that information to the Securities Market Agency.

Pursuant to Article 105 of the Financial Instruments Market Act, which sets the thresholds for a significant holding, direct holders who hold more than 5% of voting rights are presented in Table 9.

#### SHAREHOLDERS WHO HELD MORE THAN 5% OF VOTING RIGHTS AS AT 31 DECEMBER 2019

Shareholder	No. of ordinary shares 31 December 2019	No. of preference shares 31 December 2019	No. of voting rights 31 December 2019*	Proportion of voting rights 31 December 2019
Pošta Slovenije, d. o. o.	9,168,425	10,657,965	19,826,390	72.2%

\* Pursuant to Article 315 of the ZGD-1, the holders of preference shares obtained voting rights in 2015 because the Company has not paid preference amounts since 2013.

Intereuropa, d. d. is the target company in takeover proceedings. For this reason, the shares of certain shareholders who represent the acquiring party were deposited on a fiduciary account at KDD on 31 December 2019 (Pošta Slovenije, d. o. o., Kapitalska Družba, d. d., SDH, d. d., Luka Koper, d. d., Luka Koper INPO, d. o. o., Zavarovalnica Triglav, d. d. and Triglav RE, d. d.).

## STATEMENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Management Board and Supervisory Board of Intereuropa, Globalni logistični servis, d. d., Koper (hereinafter: the Company) verified the compliance of the Company's governance with the Slovenian Corporate Governance Code (hereinafter: the Code), and hereby declare that the work and operations of the Company are in line with the Code, with certain deviations that are explained in detail below.

**Recommendation:** The management board, together with the supervisory board, draws up and adopts a diversity policy that is implemented with respect to representation on a company's management and supervisory bodies (point 4 of the Code in its entirety).

**Deviation:** On 7 March 2019, the Management Board and Supervisory Board adopted the revised Corporate Governance Policy of Intereuropa, d. d., which includes a policy governing the diversity of management and supervisory bodies. The latter defines the target level of diversity in terms of age, education, other personal traits and gender, but does not define the ratio between genders, the specific objectives of diversity or the impact on human resource and other processes at the Company (point 4.2 of the Code).

**Recommendation:** A company must ensure an external assessment of the adequacy of its corporate governance statement at least once every three years (point 5.7. of the Code)

**Deviation:** Intereuropa, d. d. was acquired by Pošta Slovenije, d. o. o. in 2019. It is therefore expected that Intereuropa, d. d. will cease to be a public limited company in 2020. For this reason, the Company decided that an external assessment of the adequacy of its corporate governance statement for 2019 will not be carried out.

**Recommendation:** In the proposed new composition of the supervisory board for the general meeting of shareholders, all candidates for members of the supervisory board must be independent. The recommendation to appoint independent members applies both to shareholders as well as works councils. If the general meeting of shareholders or works council does not follow recommendations regarding the appointment of independent members to the supervisory board, a company must disclose this in its corporate governance statement (points 9.2 and 9.3 of the Code).

**Deviation:** At the General Meeting of Shareholders held on 30 December 2019, three members of the majority shareholder's executive management were appointed to serve as members of Intereuropa, d. d.'s Supervisory Board.

**Recommendation:** In addition to other matters, the rules of procedure of the supervisory board include a list of all transactions for which the management board requires the prior consent of the supervisory board based on a supervisory board resolution and the company's articles of association, as well as a system for ordering the services of external experts for the needs of the supervisory board, and the education and training of supervisory board members (point 12.2 of the Code).

**Deviation:** The Rules of Procedure of the Supervisory Board were last reviewed and updated in 2018. The Supervisory Board's position during the most recent update of its Rules of Procedure in 2018 was that a list of all transactions for which the Management Board requires the prior consent of the Supervisory Board and a system for ordering the services of external experts need not be included in those rules. Instead, the list of transactions for which the Management Board requires the Supervisory Board's prior consent is governed by a resolution adopted by the latter. Because the scope of services ordered from external experts for the needs of the Supervisory Board is negligible, the aforementioned body believes that

there is no logical reason for a separate system for ordering services solely for the Supervisory Board to be included in that body's Rules of Procedure. The method and scope of the education and training of Supervisory Board members are set out in the General Meeting of Shareholders resolution of 20 June 2014 and are not governed separately in the Rules of Procedure of the Supervisory Board.

**Recommendation:** Once a year, the supervisory board defines a training plan for its members and the members of its committees (point 13.1 of the Code).

**Deviation:** The Supervisory Board has not adopted a special training plan for its members. However, each member may define an individual training plan in the scope of the annual allotment for training purposes.

**Recommendation:** At least every three years, the supervisory board organises an external assessment in which it cooperates with an institution or external experts with the requisite experience regarding the work of supervisory boards, in-depth knowledge of corporate governance and the functioning of supervisory boards and their committees (point 14.4 of the Code).

**Deviation:** The work of the Supervisory Board was not subject to an external assessment in 2019 nor will it be for its work in 2019. The General Meeting of Shareholders appointed new members to the Company's Supervisory Board on 30 December 2019.

**Recommendation:** The deputy chairman of the supervisory board should be appointed from its members who are shareholder representatives (point 15.4 of the code).

**Deviation:** The Deputy Chairman of the Supervisory Board in 2019 was a member appointed by employee representatives in accordance with Intereuropa, d. d.'s established practice. On 30 December 2019, the General Meeting of Shareholders appointed new members to the Supervisory Board, who at their first regular session elected a shareholder representative to serve as Deputy Chairman of the Supervisory Board.

**Recommendation:** The performance criteria defined by the supervisory board in connection with the variable component of remuneration of management board members must also promote sustainable development and include non-financial criteria, such as compliance with the company's valid rules and ethical standards (point 21.1 of the Code).

**Deviation:** The Supervisory Board includes non-financial criteria in the performance criteria that serve as the basis for the payment of the variable component of remuneration of Management Board members, but does not define separate elements, such as compliance with the Company's valid rules and ethical standards. It is the basic duty of Management Board members to comply with the Company's rules and follow the highest ethical standards. Thus, such conduct does not require additional remuneration.

**Recommendation:** The company provides continuous information about its financial position and legal status through the publication of assessments of its performance, potential deviations from forecasts and changed operating conditions (point 29.1 of the Code).

**Deviation:** The Company does not publish assessments of its performance, if that performance is in line with expectations. If major deviations were to occur, the Company would publish an appropriate announcement.

**Recommendation:** The company publishes the rules of procedure of management and supervisory bodies and the general meeting of shareholders on its website (point 29.9 of the Code).

**Deviation:** The Company has published the rules of procedure of the Supervisory Board, Audit Committee and General Meeting of Shareholders. The Rules of procedure of the Management Board are not published, as the Company deems them to be of an internal nature and they have no impact on the transparency of operations that would be of significance to investors or interested parties.

The Corporate Governance Code is accessible in Slovene and English on the websites of the Ljubljana Stock Exchange ([www.ljse.si](http://www.ljse.si)) and the Slovenian Directors' Association ([www.zdruzenje-ns.si](http://www.zdruzenje-ns.si)).

The statement of compliance with the Corporate Governance Code is an integral part of the 2019 annual report and is published on the Company's website at [www.intereuropa.si](http://www.intereuropa.si).

Intereuropa, Globalni logistični servis, d. d.

Koper, 6 March 2020

Marko Cegnar,  
President of the Management Board



Matija Vojsk, MSc  
Member of the Management Board



Marko Rems,  
Member of the Management Board

