

Pursuant to Article 277 paragraph 2 of the Companies Act (Official Gazette No. 152/11 – consolidated text, 111/12, 68/13, 110/15, 40/19) (hereinafter: the “**Companies Act**”) and Article 10 paragraph 1 of the Articles of Association of SUNCE HOTELI d.d., Zagreb, Trpinjska 9, Personal Identification Number (OIB): 06916431329 (hereinafter: the “**Company**”), Management Board of the Company adopted a decision to convene the Shareholders’ Meeting on 10 November 2021 and hereby issues a convocation to the shareholders of the Company to the

## **SHAREHOLDERS’ MEETING OF SUNCE HOTELI d.d.**

**to be held on 17 December 2021 at 12 p.m. at the Company's registered office, Trpinjska 9, Zagreb**

### **under the following agenda:**

1. Opening of the Shareholders’ Meeting, determination of the number of present and represented shareholders
2. Decision on amendment to the Articles of Association of the Company
3. Supervisory Board’s report on supervision of company’s business management
4. Management Board’s report on reasons for complete exclusion of priority right of existing shareholders to subscription of new shares in the Company
5. Decision on share capital increase and issuing of shares of the Company with complete exclusion of the priority right of existing shareholders and amendments to the Articles of Association
6. Decision on admission to trading of new ordinary shares of the Company on the Official market of the Zagreb Stock Exchange

### **DECISION PROPOSALS**

Agenda items ad 3. and ad 4. shall not be voted on.

**Ad 2. Management Board of the Company proposes adopting of the following decision to the Shareholders’ Meeting:**

#### **Decision on amendment to the Articles of Association of the Company**

Article 5 of the Articles of Association of the Company is amended entirely to read as follows:

“Management Board member represents the Company solely and individually. If the Management Board of the Company consists of more persons, Management Board chairman represents the Company solely and individually while the remaining Management Board members represent the Company jointly with the Management Board chairman or jointly with another Management Board member.”

All the other provisions of the Articles of Association of the Company remain unchanged.

These amendments to the Articles of Association of the Company shall become effective and applicable from the day of registration in the court register.

Supervisory Board is hereby authorised to determine the consolidated text of the Articles of Association of the Company.

Ad 3. In accordance with Article 275 paragraph 3, Article 263 and Article 300c of the Companies Act, the Supervisory Board of the Company submits to the Shareholders' Meeting Supervisory Board's report on supervision of company's business management dated 10 November 2021.

Supervisory Board's report is noted.

Ad 4. In accordance with Article 308 paragraph 4 and paragraph 5 of the Companies Act, the Management Board of the Company submits to the Shareholders' Meeting Management Board's report on reasons for complete exclusion of the priority right of existing shareholders to subscription of new shares in the Company dated 10 November 2021.

Management Board's report is noted.

Ad 5. The Management Board proposes adopting of the following decision at the Shareholders' Meeting:

**Decision on share capital increase and issuance of shares in the Company with complete exclusion of the priority right of existing shareholders to subscription of shares and the amendments to the Articles of Association**

1. Share capital of the Company amounts to HRK 595,458,500.00 (five hundred and ninety-five million four hundred and fifty-eight thousand five hundred kuna) and it is divided into 5,954,585 (five million nine hundred and fifty-four thousand five hundred and eighty-five) ordinary registered shares with nominal amount of HRK 100.00 (one hundred kuna) per share. Share capital of the Company is fully paid in.
2. Share capital of the Company is increased by issuing of new shares by way of cash contribution in order to raise funds required for the realization of the business plan of the Company.
3. By way of this decision, share capital of the Company increases from HRK 595,458,500.00 (five hundred and ninety-five million four hundred and fifty-eight thousand five hundred kuna) for the maximum amount of HRK 119,021,700.00 (one hundred and nineteen million twenty-one thousand seven hundred kuna) to the maximum amount of HRK 714,480,200.00 (seven hundred and fourteen million four hundred and eighty thousand two hundred kuna) by issuing of up to 1,190,217 (one million one hundred ninety thousand two hundred seventeen) new ordinary registered shares, in dematerialised form, in nominal amount of HRK 100,00 (one hundred) per share.
4. Share capital increase of the Company from point 3 of this decision shall be performed by cash contribution by issuing at least 996,331 (nine hundred and ninety-six thousand three hundred and thirty-one) and a maximum of 1,190,217 (one million one hundred and ninety thousand two hundred and seventeen) new ordinary registered shares in nominal amount of HRK 100,00 (one hundred kuna) per share (hereinafter: "New Shares").
5. The amount for which the New Shares are issued (Article 307 paragraph 1 point 2 of the Companies Act) is hereby set at HRK 184,00 (hundred and eighty-four kuna) per one New share and below that amount New Shares will not be issued. Portion of the paid amount for which the New Shares are issued which exceeds the nominal amount of share shall be contributed into capital reserves of the Company.

6. New Shares shall grant its holders the same rights as any other ordinary shares issued by the Company and shall be in the same nominal amount, class and designation as all other ordinary shares issued by the Company.
7. In accordance with Article 308 paragraph 4 of the Companies Act, by way of this decision priority right of shareholders to subscription of New Shares is completely excluded.
8. Right to subscription and payment of New Shares shall be granted to Eagle Hills Zagreb Real Estate d.o.o. with registered seat at Hektorovićeve ulica 2, Zagreb, registered with the court register of the Commercial Court of Zagreb under MBS: 081260303, Personal Identification Number (OIB): 63572346734 (hereinafter: **“Eagle Hills Zagreb Real Estate”**) and Erste Ltd – mandatory and voluntary pension funds management company with registered seat at Ivana Lučića 2a, Zagreb, registered with the court register of the Commercial Court of Zagreb under MBS:080407542, Personal Identification Number (OIB): 49659289650 (hereinafter: **“Erste Ltd”**) for the account of pension funds managed by Erste Ltd (hereinafter: **“Subscribers”**). The Management Board of the Company will issue a call for subscription to Subscribers upon adopting this decision on share capital increase. Subscribers shall be entitled to subscribe for New Shares according to the following ration: Eagle Hills Zagreb Real Estate d.o.o. is entitled to subscribe for up to 996,331 (nine hundred ninety six thousand three hundred thirty one) New Shares, i.e. 83.71% (eighty three point seventy one per cent) of New shares and Erste Ltd is entitled to subscribe for up to 193,886 (one hundred ninety three thousand eight hundred eighty six) New Shares, i.e. 16.29% (sixteen point twenty nine per cent) of New Shares for the account of pension funds it manages. In the event that any of the above Subscribers does not execute (or does not execute in its entirety) its right to subscription and payment of New Shares as described under this point, the remaining Subscriber would have the right to subscribe and pay for the portion of new shares to which the latter Subscriber had the right of subscription and payment as well.
9. New Shares will be subscribed for by way of written statement under Article 307 paragraph 1 of the Companies Act (hereinafter: **“Subscription Statement”**) which will be submitted to the Subscribers by the Management Board of the Company in the attachment to the call for subscription. Payment for the New Shares will be made in the manner and to the special purpose account of the Company which will be opened with the Company's business bank for these purposes and will be set out in the Subscription Statement.
10. Subscription of New Shares will last 1 (one) business day from the receipt of the call for subscription issued to the Subscribers by the Management Board. The deadline for payment of New Shares lasts 1 (one) business day from the day of subscription (signing of the Subscription Statement). In addition to the timely delivery of a valid Subscription Statement, the condition for the subscription of a specific investor is the timely payment of the relevant amount for New Shares by the investor in question, all in accordance with the conditions specified in the Subscription Notice and the call for subscription. In the event that any specific Subscriber submits more than one Subscription Statement, only the last received Subscription Statement that meets all the conditions from the call for subscription will be considered valid, and all previous Subscription Statements will be considered revoked.
11. If the total subscribed amount of New Shares exceeds the maximum amount of share capital increase and the number of New Shares from point 3 of this decision, each of the Subscribers who subscribed for New Shares shall be allocated a proportionally reduced number of New Shares compared to those they subscribed for under their Subscription Statements, whilst respecting their mutual ratios as regulated by point 8 of this decision.

12. In accordance with Article 1 paragraph 4 (b) and paragraph 5 (a) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC there is no obligation for publishing the prospectus for the public offering in the event the offer is addressed to fewer than 150 (one hundred fifty) natural or legal persons per member state, that are not qualified investors and there is also no obligation to publish the prospectus for admission to trading on a regulated market related to issuing and admission to trading securities fungible with securities already admitted to trading on the same regulated market, provided that they represent, over a period of 12 (twelve) months, less than 20% (twenty per cent) of the number of securities already admitted to trading on the same regulated market.
13. The final amount of the share capital increase within the range specified in point 3 of this decision will depend on the success of the issuance and on the number of New Shares to be subscribed and paid for. The issuance of New Shares will be considered successfully completed if at least 996,331 (nine hundred and ninety-six thousand three hundred and thirty-one) New Share is subscribed and paid for within the established deadlines for subscription and payment. Such determined total amount of the successful issuance shall also represent the exact amount of share capital increase of the Company by issuing of New Shares. The Management Board of the Company will determinate: 1) the success of the issuance of New Shares, 2) the exact amount of share capital increase and 3) the exact number of New Shares. Shareholders' Meeting authorizes the Supervisory Board of the Company to amend the Articles of Association upon share capital increase in accordance with this decision in order to harmonize its text in the provisions on the amount of share capital and number of shares (Article 7 and Article 8 of the Articles of Association) with changes brought about by share capital increase and the issuance of New Shares.
14. If the subscription of New Shares is not successful, the Company shall, within a maximum of 8 (eight) business days after the expiration of the deadline for subscription and payment of New Shares (point 10 of this decision), return the amount paid to the Subscribers.
15. The New Shares will be issued in dematerialised form, in the form of an electronic record in the Central Depository & Clearing Company Inc. (CDCC) computer system, with designation SUKC-R-A. Each share grants the right to one vote at the Shareholders' Meeting of the Company. The shares are registered and grant to the shareholders all the rights determined by the law and the Articles of Association of the Company from the day of registration of share capital increase within the court register. The request for admission to trading of the New Shares on the Official Market of the Zagreb Stock Exchange Inc., Ivana Lučića 2a, Zagreb, Personal Identification Number (OIB): 84368186611, MBS: 080034217 (hereinafter: "**Zagreb Stock Exchange**") will be submitted in accordance with applicable regulations and in accordance with the decision ad 6. New Shares of the Company will be tradable on the regulated market after and provided that they are admitted to the Official Market of the Zagreb Stock Exchange.
16. Any amount overpaid by the Subscribers, the Company shall, within 8 (eight) business days after the expiration deadline for subscription and payment of New Shares (point 10 of this decision), repay to the Subscribers on the account specified by the Subscribers in the Subscription Statement.
17. In the event from point 14 and 16 of this decision, the Company shall not bear the costs of payment transactions or any other costs that the Subscriber had or could have had in relation to the execution of the transaction nor will it pay interest to the Subscribers for the period from payment to the Company's account until the moment of repayment to the Subscribers.
18. Other than for the reason stated in point 13 of this decision, the share capital increase and the issuance of New Shares will also be considered not successfully implemented if the registration of the Company's share

capital increase from Article 309 paragraph 1 of the Companies Act is not registered in court register of the Commercial Court of Zagreb within 6 (six) months from the date of this decision. On that day, the Subscription Statement ceases to be binding on the Subscribers and any payment made will be returned to the Subscribers without delay, no later than within 3 (three) business days.

19. The Company's Articles of Association are amended in such a way that after the issuance of New Shares based on this decision and implementation of Company's share capital increase in accordance with this decision and the results of subscription of New Shares, the Company's share capital amount changes in Article 7 and the number of shares in Article 8 paragraph 1 of the Company's Articles of Association. In doing so, the Supervisory Board of the Company is authorized and obliged, given the amount of increase in the share capital of the Company and the number of New Shares of the Company in accordance with the results of New Shares of the Company subscribed and paid for: a) harmonize the provisions of Article 7 of the Company's Articles of Association in the part relating to the Company's share capital and Article 8 paragraph 1 of the Articles of Association in the part relating to the number of shares into which the share capital of the Company is divided, in such a way that the current amount of the share capital of the Company "595,458,500.00 (five hundred and ninety-five million four hundred and fifty-eight thousand five hundred)" in the Article 7 of the Company's Articles of Association shall be replaced with a number corresponding to the increased share capital of the Company and that in Article 8 paragraph 1 of the Company's Articles of Association current number of shares "5,954,585 (five million nine hundred and fifty-four thousand five hundred and eighty-five)" shall be replaced with a number of shares corresponding to the sum of the previous number of shares and New Shares issued in order to increase the share capital determined by this decision, and b) determine the consolidated text of the Company's Articles of Association. These amendments to the Articles of Association shall enter into force on the day of entry of registration of share capital increase in the court register from Article 309 of the Companies Act.
20. This Decision shall enter into force on the day of its registration within the court register of the Commercial Court of Zagreb.

**Ad 6. The Management Board of the Company adopting of the following decision at the Shareholders' Meeting:**

**Decision on admission to trading of new ordinary shares of the Company on the Official market of the Zagreb Stock Exchange**

1. The Shareholders' Meeting of the Company hereby adopts a decision on submitting a request for the admission to trading of New Shares which will be issued in accordance with the decision on share capital increase and issuing of shares of the Company with complete exclusion of the priority right of existing shareholders and amendments to the Articles of Association ad 5. on the Official Market of the Zagreb Stock Exchange after the issuance.
2. The Management Board of the Company is hereby authorized to take all necessary actions for the said admission to trading of shares on the Official Market of the Zagreb Stock Exchange.
3. This Decision shall enter into force as of the day of its adoption.

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## **INSTRUCTIONS TO THE SHAREHOLDERS REGARDING PARTICIPATION AT THE SHAREHOLDERS' MEETING:**

### **Requirements for participation and exercise of voting rights**

The right to participate in the Shareholders' Meeting is held by the Company's shareholders who have been registered as holders of Company shares in the depository of the Central Depository & Clearing Company Inc. (Croatian: Središnje klirinško depozitarno društvo d.d.) six days prior to the Shareholders' Meeting and have applied for participation in the Shareholders' Meeting in advance to the Company's registered office address. The application shall be received by the Company no later than six calendar days prior to the Shareholders' Meeting, excluding the date of the Company's receipt of the application.

The shareholders participate at the Shareholders' Meeting in person or by proxy. The power of attorney shall be provided in writing and state the identity of the person acting as proxy, the shareholder issuing the power of attorney, the total nominal amount of shares and votes at their disposal, the authority to act and vote on behalf of shareholder at the Shareholders' Meeting, and the date of issuance and validity period of the power of attorney. The power of attorney shall be submitted to the Company no later than the last day for application for participation at the Shareholders' Meeting.

With regard to the extraordinary circumstances brought upon by the COVID-19 pandemic, the shareholders that shall attend the Shareholders' Meeting shall abide by the safety recommendations and the decisions of the Civil Protection Headquarters of the Republic of Croatia, as well as the measures that the Company shall implement within its organisation and at the Shareholders' Meeting. The purpose of this is to protect the health of shareholders, Company employees, as well as any other persons involved in the organisation of the Shareholders' Meeting.

For the purpose of reducing personal attendance at the Shareholders' Meeting in order to alleviate the risks of spreading infection, the Company hereby recommends the shareholders to participate and exercise their rights in relation to the Shareholders' Meeting through their attorneys by proxy provided for them by the Company:

ŠAVORIĆ & PARTNERS Attorneys At Law, LLC  
Boris Šavorić, Nina Radić Kuzik and Branko Bulat, attorneys-at-law  
Tel.: 01/4855-900; e-mail: info@savoric.com

The costs of legal representation of shareholders or their representation in the form of the proxies provided and indicated in this call shall be borne by the Company.

### **Shareholders' Meeting Materials**

The materials regarding the Shareholders' Meeting, along with the application and power of attorney forms may be accessed by the shareholders at [www.bluesunhotels.com/investitori](http://www.bluesunhotels.com/investitori) or the registered office of the Company on business days from 9 a.m. to 1 p.m. until the day of the Shareholders' Meeting.

### **Including New Issues to the Agenda**

Shareholders who jointly hold shares equal to at least 1/20 of the Company's share capital shall have the right to request that additional issues be included in the agenda of the Shareholders' Meeting, supported by a justification and proposal of a decision. Such a request shall be delivered to the Company no later than 16 November 2021.

### **Shareholder Counterproposals**

Any shareholders' counterproposals to the proposals made by the Management Board accompanied by shareholders' names and surnames and justification, shall be delivered to the Company by and including 2 December 2021. Should the shareholders not exercise this right, this shall not constitute a waiver of the right to put forward counterproposals at the Shareholders' Meeting.

## **Right to Information**

At the Shareholders' Meeting, the Management Board is obligated to provide information on the Company's operations upon the request of any shareholder, provided that such information is required in order to assess the matters included on the agenda of the Shareholders' Meeting, whereas such information may be withheld on the grounds defined in the Companies Act. The status at the depository of the Central Depository & Clearing Company Inc. (Croatian: "Središnje klirinško depozitarno društvo d.d.") on 10 December 2021 shall be relevant for participating at the Shareholders' Meeting.

## **Backup Shareholders' Meeting**

If a quorum is not present at the convened Shareholders' Meeting, the next Shareholders' Meeting shall be held on 20 December 2021 at 12 p.m., on the same location and with the same agenda, on which meeting valid decisions can be adopted regardless of the quorum.

SUNCE HOTELI d.d.  
The Management Board