



## **CROATIA OSIGURANJE**

*utemeljeno 1884.*

Pursuant to the provision of Article 277, paragraph 2 of the Companies Act (Official Gazette No.: 111/93, 118/03, 107/07, 146/08, 137/09, 152/11, 111/12 and 68/13) and Article 33 of the Articles of Association of CROATIA osiguranje d.d., the Management Board of CROATIA osiguranje d.d. passed, at its 90<sup>th</sup> meeting held on 11 March 2014, the Decision on convocation of the 39<sup>th</sup> General Assembly, No. UP/16/SPP/2014, and hereby invites the shareholders to the

**39<sup>th</sup> General Assembly of CROATIA osiguranje d.d.**  
**to be held on 22 April 2014 at 11:00 hours**  
**at the Company's seat in Zagreb, Miramarska 22**

**I. The Agenda of the 39<sup>th</sup> General Assembly of CROATIA osiguranje d.d. (hereafter: the Company) is as follows:**

1. Opening of the General Assembly, determining the number of ordinary shareholders present, preference shareholders present, represented shareholders present and determining the quorum;
2. Increase of the Company's share capital:
  - a) Management Board's Report on the reasons for exclusion of the pre-emptive right upon subscription of new shares for all existing shareholders except ADRIS GRUPA d.d.;
  - b) Passing the Decision of ordinary shareholders regarding the exclusion of pre-emptive right;
  - c) Passing the Decision of preference shareholders regarding the exclusion of pre-emptive right;
  - d) Passing the Decision of ordinary shareholders regarding the increase of the Company's share capital through contributions in cash;
  - e) Passing the Decision of preference shareholders regarding the increase of the Company's share capital through contributions in cash;
3. Amendment of the Company's Articles of Association:
  - a) Passing the Decision of ordinary shareholders regarding the amendment of the

Company's Articles of Association;

b) Passing the Decision of preference shareholders regarding the amendment of the Company's Articles of Association.

4. Election of members of the Company's Supervisory Board.

## **II. PROPOSALS OF DECISIONS OF THE 39<sup>TH</sup> GENERAL ASSEMBLY:**

### **2. a – MANAGEMENT BOARD'S REPORT ON THE REASONS FOR EXCLUSION OF THE PRE-EMPTIVE RIGHT UPON SUBSCRIPTION OF NEW SHARES FOR ALL EXISTING SHAREHOLDERS EXCEPT ADRIS GRUPA D.D.**

Management Board's Report on the reasons for exclusion of the pre-emptive right upon subscription of new shares for all existing shareholders except ADRIS GRUPA d.d. is duly noted.

### **2.b – PROPOSAL OF DECISION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD REGARDING ITEM 2.b OF THE AGENDA:**

Pursuant to Article 308 of the Companies Act and Article 32 of the Articles of Association of CROATIA osiguranje d.d., ordinary shareholders of CROATIA osiguranje d.d. (hereafter: the Company) passed, at the 39<sup>th</sup> General Assembly held on 22 April 2014, the decision on:

#### **EXCLUSION OF PRE-EMPTIVE RIGHT**

##### Article 1

The pre-emptive right of existing shareholders of the Company, except ADRIS GRUPA d.d., due to reasons explained in the Report of the Company's Management Board's, which was submitted to the General Assembly in accordance with the provision of Article 308, paragraph 5 of the Companies Act, is hereby entirely excluded during subscription of new shares which are being issued as part of the process of increasing the Company's share capital.

The process of increasing the share capital shall be effected by payment of a contribution in cash by ADRIS GRUPA d.d., from Rovinj, Vladimira Nazora 1-, PIN ("OIB") 82023167977 (hereafter: ADRIS GRUPA d.d.).

##### Article 2

This decision shall enter into force and be effective as of the day of entering the Decision on increase of

share capital in the court register.

**2.c – PROPOSAL OF DECISION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD REGARDING ITEM 2.c OF THE AGENDA:**

Pursuant to Article 308 of the Companies Act and Article 32 of the Articles of Association of CROATIA osiguranje d.d., preference shareholders of CROATIA osiguranje d.d. (hereafter: the Company) passed, at the 39<sup>th</sup> General Assembly held on 22 April 2014 the decision on::

**EXCLUSION OF PRE-EMPTIVE RIGHT**

Article 1

The pre-emptive right of existing shareholders of the Company, except ADRIS GRUPA d.d., due to reasons explained in the Report of the Company's Management Board, which was submitted to the General Assembly in accordance with the provision of Article 308, paragraph 5 of the Companies Act, is hereby entirely excluded during subscription of shares which are being issued as part of the process of increasing the Company's share capital.

The process of increasing share capital shall be effected by payment of a contribution in cash by ADRIS GRUPA d.d., from Rovinj, Vladimira Nazora 1, PIN ("OIB") 82023167977 (hereafter: ADRIS GRUPA d.d.).

Article 2

This decision shall enter into force and be effective as of the day of entering the Decision on increase of share capital in the court register.

**2.d – PROPOSAL OF DECISION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD REGARDING ITEM 2.d OF THE AGENDA:**

Pursuant to Article 304 of the Companies Act and Article 32 of the Articles of Association of CROATIA osiguranje d.d., ordinary shareholders of CROATIA osiguranje d.d. (hereafter: the Company) passed, at the 39<sup>th</sup> General Assembly held on 22 April 2014 the

**DECISION ON INCREASING THE COMPANY'S SHARE CAPITAL THROUGH CONTRIBUTIONS IN CASH BY ISSUING ORDINARY REGISTERED SHARES WITH EXCLUSION OF PRE-EMPTIVE RIGHT**

Article 1

Share capital of CROATIA osiguranje d.d., Miramarska cesta 22, 10000 Zagreb (hereafter: the Company)

amounts to HRK 442,887,200.00 (four hundred and forty-two million eight hundred and eighty seven thousand two hundred Kuna), and it is divided into 307,598 (three hundred and seven thousand five hundred and ninety-eight) ordinary shares which were issued as ordinary shares registered on the name of the acquirer, each at nominal value of HRK 1,400.00 (one thousand four hundred Kuna), and 8,750 (eight thousand seven hundred and fifty) preference shares which were issued as preference shares registered on the name of the acquirer, each at nominal value of HRK 1,400.00 (one thousand four hundred Kuna).

In the depository of dematerialized securities at the Central Depository & Clearing Company Inc. (hereafter: CDCC) ordinary shares bear the symbol CROS-R-A, and preference shares bear the symbol CROS-P-A.

Share capital has been paid in full.

## Article 2

Share capital of the Company is increased from the amount of HRK 442,887,200.00 (four hundred and forty-two million eight hundred and eighty-seven thousand two hundred Kuna), by an amount of HRK 158,688,600.00 (one hundred and fifty-eight million six hundred and eighty-eight thousand six hundred Kuna) to the amount of HRK 601,575,800.00 (six hundred and one million, five hundred and seventy-five thousand eight hundred Kuna).

## Article 3

The Company's share capital is increased through contributions in cash, by issuing 113,349 (one hundred and thirteen thousand three hundred and forty-nine) new ordinary dematerialized shares of nominal value of HRK 1,400.00 (one thousand four hundred Kuna). New ordinary shares shall bear the same rights and rank as all other existing ordinary registered shares of the Company.

The shares are issued for the amount of HRK 7,412.25 (seven thousand four hundred and twelve Kuna and twenty-five Lipa) per one share (above par), i.e. for the total amount of HRK 840,171,125.20 (eight hundred and forty million one hundred and seventy-one thousand one hundred and twenty five Kuna and twenty Lipa).

For the purpose of increasing share capital, ADRIS GRUPA d.d. shall pay in, in order to acquire 113,349 (one hundred and thirteen thousand three hundred and forty nine) new ordinary shares of nominal value of HRK 1,400.00 (one thousand four hundred Kuna) an amount totalling HRK 840,171,125.20 (eight hundred and forty million one hundred and seventy-one thousand one hundred and twenty five Kuna and twenty Lipa).

The Company's increased share capital shall amount to HRK 601,575,800.00 (six hundred and one million, five hundred and seventy-five thousand eight hundred Kuna) and it shall be divided into 420,947 (four hundred and twenty thousand nine hundred and forty-seven) ordinary shares and 8,750 (eight thousand seven hundred and fifty) preference shares.

## Article 4

The Company's share capital is being increased in order to realize strategic goals and business plans of the Company.

#### Article 5

Due to the facts stated in article 4 of this Decision, issuing shall be effected of new ordinary shares with voting rights, by subscription of and payment in cash by ADRIS GRUPA d.d.

#### Article 6

On the day of issuing this Decision, the 39<sup>th</sup> General Assembly excluded, by means of a separate Decision, the legal pre-emptive right during subscription of new ordinary shares which are being issued based on this Decision, for all shareholders of the Company entered in the depository of CDCC as at the day of passing this Decision, except ADRIS GRUPA d.d., to the benefit of the acquirer ADRIS GRUPA d.d., for reasons as explained in the Report of the Company's Management Board which has been submitted to the 39<sup>th</sup> General Assembly. The mentioned separate decision was passed in accordance with Article 308, paragraphs 4 and 5 of the Companies Act.

#### Article 7

ADRIS GRUPA d.d. is invited to subscribe for all 113,349 (one hundred and thirteen thousand three hundred and forty-nine) new ordinary shares and, accordingly, to pay in the amount of HRK 840,171,125.20 (eight hundred and forty million one hundred and seventy one thousand one hundred and twenty-five Kuna and twenty Lipa).

New ordinary shares shall be paid by ADRIS GRUPA d.d. through payment, within 150 (one hundred and fifty) days after the passing of this Decision, of the amount of HRK 840,171,125.20 (eight hundred and forty million one hundred and seventy-one thousand one hundred and twenty-five Kuna and twenty Lipa) in full, which comprises: (i) the nominal amount of each new ordinary share, which amounts to HRK 1,400.00 (one thousand four hundred Kuna) per share, or a total of HRK 158,688,600.00 (one hundred and fifty-eight million six hundred and eighty-eight thousand six hundred Kuna) and (ii) the remaining amount of HRK 6,012.25 (six thousand and twelve Kuna and twenty five Lipa) per share (above par) or a total of HRK 681,482,525.20 (six hundred and eighty-one million four hundred and eighty-two thousand five hundred and twenty five Kuna and twenty Lipa).

#### Article 8

Pursuant to Article 351, paragraph 1, item 11, regarding Article 349, paragraph 1 of the Capital Market Act, the Company is under no obligation to draw up and publish a prospectus, because the offer of new ordinary shares will be made solely to ADRIS GRUPA d.d., which is not a qualified investor.

#### Article 9

New ordinary shares which shall be acquired by ADRIS GRUPA d.d. are not transferrable until payment of the above par amount has been made in full for them.

#### Article 10

Voting right arising from new ordinary shares shall be acquired by ADRIS GRUPA d.d. immediately upon payment of the amount stated in Article 7, paragraph 2 of this Decision for the purpose of increase of share capital, and, pursuant to Article 9 of the Company's Articles of Association, based on new ordinary shares, ADRIS GRUPA d.d. shall, immediately upon payment of the amount stated in Article 7, paragraph 2 of this Decision, acquire one vote per each new ordinary share.

#### Article 11

ADRIS GRUPA d.d. shall, immediately upon payment of the amount stated in Article 7, paragraph 2 of this Decision, be entitled to all property rights arising from the new ordinary shares, in their full extent.

#### Article 12

New ordinary shares shall be issued in dematerialized form and they shall be maintained at the depository of dematerialized securities kept by CDCC under the symbol CROS-R-A.

Existing ordinary shares of other shareholders, which have already been paid in full, shall continue to be maintained by CDCC under the symbol CROS-R-A, and existing preference shares shall bear the symbol CROS-P-A.

#### Article 13

ADRIS GRUPA d.d. shall subscribe for the new ordinary shares within 150 (one hundred and fifty) days after the day of passing this Decision, by issuing a statement on subscription of new ordinary shares by means of a subscription note.

The payment of the nominal amount per each new ordinary share shall be performed by ADRIS GRUPA d.d. within 150 (one hundred and fifty) days after the day of passing this Decision, by payment to the Company's business account with Privredna banka Zagreb d.d. number HR94 2340 0091 1005 5500 8.

#### Article 14

The issuing of new ordinary shares as defined in this Decision shall be considered successful if ADRIS GRUPA d.d. subscribes for all new ordinary shares and pays, for each new ordinary share issued, the total contribution within the time period referred to in Articles 7 and 13 of this Decision.

ADRIS GRUPA d.d. shall become a shareholder of the Company upon entry in the depository of CDCC, and

the entry shall be performed in accordance with the rules of the CDCC after the increasing of the share capital has been completed in the court register.

#### Article 15

The Company's Management Board shall take all necessary legal actions, and file an application with the Commercial Court in Zagreb for the purpose of entering this Decision in the court register. Upon finalization of the offer, subscription and payment of new ordinary shares in accordance with this Decision, it shall also file an application with the Commercial Court in Zagreb for entry of increase of share capital in the court register.

#### Article 16

All matters not regulated by this Decision shall be subject to the provisions of the Capital Market Act, the Companies Act and the Company's Articles of Association.

#### **2.e – PROPOSAL OF THE DECISION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD REGARDING ITEM 2.e OF THE AGENDA:**

Pursuant to Article 304 of the Companies Act and Article 32 of the Articles of Association of CROATIA osiguranje d.d., preference shareholders of the Company passed, at the 39<sup>th</sup> General Assembly held on 22 April 2014, the

#### **DECISION ON INCREASING THE COMPANY'S SHARE CAPITAL THROUGH CONTRIBUTIONS IN CASH BY ISSUING ORDINARY REGISTERED SHARES WITH EXCLUSION OF PRE-EMPTIVE RIGHT**

#### Article 1

The share capital of CROATIA osiguranje d.d., Miramarska cesta 22, 10000 Zagreb (hereafter: the Company) amounts to HRK 442,887,200.00 (four hundred and forty-two million eight hundred and eighty-seven thousand two hundred Kuna) and it is divided into 307,598 (three hundred and seven thousand five hundred and ninety-eight) ordinary shares which were issued as ordinary shares registered on the name of the acquirer, each at nominal value of HRK 1,400.00 (one thousand four hundred Kuna), and 8,750 (eight thousand seven hundred and fifty) preference shares which were issued as preference shares registered on the name of the acquirer, each at nominal value of HRK 1,400.00 (one thousand four hundred Kuna).

In the depository of dematerialized securities at the Central Depository & Clearing Company Inc. (hereafter: CDCC) ordinary shares bear the symbol CROS-R-A, and preference shares bear the symbol CROS-P-A.

Share capital has been paid in full.

## Article 2

Share capital of the Company is increased from the amount of HRK 442,887,200.00 (four hundred and forty-two million eight hundred and eighty-seven thousand two hundred Kuna), by an amount of HRK 158,688,600.00 (one hundred and fifty-eight million six hundred and eighty-eight thousand six hundred Kuna) to the amount of HRK 601,575,800.00 (six hundred and one million, five hundred and seventy-five thousand eight hundred Kuna).

## Article 3

The Company's share capital is increased through contributions in cash, by issuing 113,349 (one hundred and thirteen thousand three hundred and forty-nine) new ordinary dematerialized shares of nominal value of HRK 1,400.00 (one thousand four hundred Kuna). New ordinary shares shall bear the same rights and rank as all other existing ordinary registered shares of the Company.

The shares are issued for the amount of HRK 7,412.25 (seven thousand four hundred and twelve Kuna and twenty-five Lipa) per one share (above par), i.e. for the total amount of HRK 840,171,125.20 (eight hundred and forty million one hundred and seventy-one thousand one hundred and twenty five Kuna and twenty Lipa).

For the purpose of increasing share capital, ADRIS GRUPA d.d. shall pay in, in order to acquire 113,349 (one hundred and thirteen thousand three hundred and forty nine) new ordinary shares of nominal value of HRK 1,400.00 (one thousand four hundred Kuna) an amount totalling HRK 840,171,125.20 (eight hundred and forty million one hundred and seventy-one thousand one hundred and twenty five Kuna and twenty Lipa).

The Company's increased share capital shall amount to HRK 601,575,800.00 (six hundred and one million, five hundred and seventy-five thousand eight hundred Kuna) and it shall be divided into 420,947 (four hundred and twenty thousand nine hundred and forty-seven) ordinary shares and 8,750 (eight thousand seven hundred and fifty) preference shares.

## Article 4

The Company's share capital is being increased in order to realize strategic goals and business plans of the Company.

## Article 5

Due to the facts mentioned in Article 4 of this Decision, the issuing of new ordinary shares with voting rights shall be effected through subscription and payment in cash by ADRIS GRUPA d.d.

## Article 6

On the day of passing this Decision, the 39<sup>th</sup> General Assembly excluded, by virtue of a separate decision,



the legal pre-emptive right of all shareholders of the Company entered in the depository of CDCC as at the day of passing this Decision, except ADRIS GRUPA d.d., during subscription of new ordinary shares which are being issued based on this Decision, to the benefit of the acquirer, ADRIS GRUPA d.d., for reasons which have been explained in the Report of the Company's Management Board, which has been submitted to the General Assembly. The mentioned separate decision has been passed in accordance with Article 308, paragraphs 4 and 5 of the Companies Act.

#### Article 7

ADRIS GRUPA d.d. is invited to subscribe for all 113,349 (one hundred and thirteen thousand three hundred and forty-nine) new ordinary shares and, accordingly, to pay in the amount of HRK 840,171,125.20 (eight hundred and forty million one hundred and seventy one thousand one hundred and twenty-five Kuna and twenty Lipa).

New ordinary shares shall be paid by ADRIS GRUPA d.d. through payment, within 150 (one hundred and fifty) days after the passing of this Decision, of the amount of HRK 840,171,125.20 (eight hundred and forty million one hundred and seventy-one thousand one hundred and twenty-five Kuna and twenty Lipa) in full, which comprises: (i) the nominal amount of each new ordinary share, which amounts to HRK 1,400.00 (one thousand four hundred Kuna) per share, or a total of HRK 158,688,600.00 (one hundred and fifty-eight million six hundred and eighty-eight thousand six hundred Kuna) and (ii) the remaining amount of HRK 6,012.25 (six thousand and twelve Kuna and twenty five Lipa) per share (above par) or a total of HRK 681,482,525.20 (six hundred and eighty-one million four hundred and eighty-two thousand five hundred and twenty five Kuna and twenty Lipa).

#### Article 8

Pursuant to Article 351, paragraph 1, item 11, regarding Article 349, paragraph 1 of the Capital Market Act, the Company is under no obligation to draw up and publish a prospectus, because the offer of new ordinary shares will be made solely to ADRIS GRUPA d.d., which is not a qualified investor.

#### Article 9

New ordinary shares which shall be acquired by ADRIS GRUPA d.d. are not transferrable until payment of the above par amount has been made in full for them.

#### Article 10

Voting right arising from new ordinary shares shall be acquired by ADRIS GRUPA d.d. immediately upon payment of the amount stated in Article 7, paragraph 2 of this Decision for the purpose of increase of share capital, and, pursuant to Article 9 of the Company's Articles of Association, based on new ordinary shares, ADRIS GRUPA d.d. shall, immediately upon payment of the amount stated in Article 7, paragraph 2 of this Decision, acquire one vote per each new ordinary share.

#### Article 11

ADRIS GRUPA d.d. shall, immediately upon payment of the amount stated in Article 7, paragraph 2 of this Decision, be entitled to all property rights arising from the new ordinary shares, in their full extent.

#### Article 12

New ordinary shares shall be issued in dematerialized form and they shall be maintained at the depository of dematerialized securities kept by CDCC under the symbol CROS-R-A.

Existing ordinary shares of other shareholders, which have already been paid in full, shall continue to be maintained by CDCC under the symbol CROS-R-A, and existing preference shares shall bear the symbol CROS-P-A.

#### Article 13

ADRIS GRUPA d.d. shall subscribe for the new ordinary shares within 150 (one hundred and fifty) days after the day of passing this Decision, by issuing a statement on subscription of new ordinary shares by means of a subscription note.

The payment of the nominal amount per each new ordinary share shall be performed by ADRIS GRUPA d.d. within 150 (one hundred and fifty) days after the day of passing this Decision, by payment to the Company's business account with Privredna banka Zagreb d.d. number HR94 2340 0091 1005 5500 8.

#### Article 14

The issuing of new ordinary shares as defined in this Decision shall be considered successful if ADRIS GRUPA d.d. subscribes for all new ordinary shares and pays, for each new ordinary share issued, the total contribution within the time period referred to in Articles 7 and 13 of this Decision.

ADRIS GRUPA d.d. shall become a shareholder of the Company upon entry in the depository of CDCC, and the entry shall be performed in accordance with the rules of the CDCC after the increasing of the share capital has been completed in the court register.

#### Article 15

The Company's Management Board shall take all necessary legal actions, and file an application with the Commercial Court in Zagreb for the purpose of entering this Decision in the court register. Upon finalization of the offer, subscription and payment of new ordinary shares in accordance with this Decision, it shall also file an application with the Commercial Court in Zagreb for entry of increase of share capital in the court register.

#### Article 16

All matters not regulated by this Decision shall be subject to the provisions of the Capital Market Act, the Companies Act and the Company's Articles of Association.

**3. a – PROPOSAL OF DECISION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD REGARDING ITEM 3. a OF THE AGENDA:**

Pursuant to Article 32 of the Articles of Association of CROATIA osiguranje d.d. and Article 275, paragraph 1, item 5 of the Companies Act, **ordinary** shareholders of the Company passed, at the 39<sup>th</sup> General Assembly held on 22 April 2014, the Decision on

**AMENDMENT TO THE ARTICLES OF ASSOCIATION**

Article 1

The Articles of Association of CROATIA osiguranje d.d., i.e. the consolidated text thereof of 27 September 2012, are hereby amended in their entirety, to read as follows:

**„ARTICLES OF ASSOCIATION**

**of CROATIA osiguranje d.d.**

**I. INTRODUCTORY PROVISIONS**

Article 1

These Articles of Association regulate the legal status, organization and management of CROATIA osiguranje d.d. (hereafter: the Company), and the legal relationship between the Company and the shareholders.

**II. COMPANY NAME**

Article 2

The Company operates and participates in legal transactions under the company name CROATIA osiguranje d.d.

The Company name comprises an addition in the form of a pictogram with a textual part, which is in fact a graphic art unit representing a one-sided cylinder shown in a right-side cross-section. The addition to the Company name is used both in colour positive and negative, and as a rule it is blue.

In foreign languages the Company name is as follows:

- In English: CROATIA INSURANCE COMPANY Plc.
- In French: CROATIA ASSURANCES S.A.
- In German: CROATIA VERSICHERUNGS - A G
- In Italian: CROATIA ASSICURAZIONI S.p.A.
- In Slovenian: CROATIA ZAVAROVANJE d.d.

### **III. SEAT**

#### Article 3

The Company's seat is in Zagreb.

The business address of the Company's seat shall be determined by the Company's Management Board in a separate decision.

### **IV. BRANCH OFFICE NAME**

#### Article 4

Names of the Company's branch offices contain the Company name: CROATIA osiguranje d.d. and the name of the branch office.

Branch offices of the Company operate under the name which is determined by a special decision of the Company's Management Board.

### **V. STAMP**

#### Article 5

The Company uses a stamp in its business activities.

The form, content, size, use and safekeeping of the stamp shall be determined by the Company's Management Board by means of a special decision.

### **VI. SUBJECT OF BUSINESS ACTIVITES**

#### Article 6

The subject of the Company's business activities are insurance transactions, which involves concluding and realizing life and non-life insurance contracts, specifically:

- Life insurance
- Annuity insurance
- Additional insurance with life insurance
- Other life insurance
- Unit-linked life and annuity insurance
- Personal accident insurance
- Health insurance
- Insurance of land motor vehicles
- Insurance of railway rolling stock
- Insurance of aircrafts
- Insurance of vessels
- Insurance of goods in transit
- Insurance against fire and natural disasters
- Other property insurance
- Motor vehicle liability insurance
- Aircraft liability insurance
- Insurance of liability arising out of the use of vessels
- Other liability insurance
- Credit insurance
- Suretyship insurance
- Insurance against various financial losses
- Legal protection insurance

- Travel insurance.

The Company also performs the following activities which are in direct or indirect connection with insurance transactions, these being:

- Mediation in sale or sales of items coming into the Company's possession based on performance of insurance transactions,
- Taking measures to prevent and remove dangers which threaten insured property and persons,
- Assessment of the degree of risk exposure of an insured item and claims adjustment,
- Performing of other intellectual and technical services connected with insurance transactions.

## **VII. DURATION OF THE COMPANY**

### Article 7

The Company has been founded for an unlimited period of time.

## **VIII. THE COMPANY'S SHARE CAPITAL**

### Article 8

The Company's share capital is: **HRK 601,575,800.00** (say: six hundred and one million five hundred and seventy-five thousand eight hundred Kuna).

## **IX. THE COMPANY'S SHARES**

### **1. Types and number of shares**

#### Article 9

The Company's share capital is divided into 429,697 (four hundred and twenty nine thousand six hundred and ninety-seven) shares of nominal value of HRK 1,400 (one thousand four hundred Kuna), of which each one entitles to one vote.

#### Article 10

The shares referred to in Article 9 of the Articles of Association comprise:

- 307,598 ordinary shares for the 1<sup>st</sup> issue marked CROS-R-A
- 113,349 ordinary shares for the 2<sup>nd</sup> issue marked CROS-R-A
- 8,750 preference shares for the 1<sup>st</sup> issue marked CROS-P-A.

#### Article 11

Preference shares entitle their holders to:

- revaluation of share value in accordance with legal regulations
- payment of dividend in the amount of 8% annually to the revaluated share value, for the year in which appropriate profit was realized
- cumulative payment of dividend if the Company's realized result enables the payment of a higher dividend for all shareholders than the dividend referred to in the previous paragraph, as well as for the years in which a liability cannot be fulfilled due to insufficient profit.

#### Article 12

The Decision of the Company's General Assembly regarding the issuing of new issue shares determines the types and classes of shares according to the rights they confer (ordinary shares, preference shares).

#### Article 13

The Company's shares are issued in dematerialized form and they must be registered.

## **2. Shares register**

#### Article 14

Pursuant to applicable legal regulations and Membership Contracts, the information on shares and owners of shares of the Company is kept by the Central Depository and Clearing Company Inc. (CDCC).

One shall only be considered Company's shareholder if he/she is the owner of dematerialized securities account with CDCC wherein a dematerialized share is registered.

#### Article 15

No entering of any change of ownership of shares held in an account with CDCC shall be performed or applied for the Company within the period of seven days prior to date when the General Assembly meeting is to be held.

## **X. THE COMPANY'S STATUTORY RESERVES**

### Article 16

The Company forms statutory reserves with the aim of increasing the safety and stability of the Company's business operations. These reserves can only be used for:

- Reserves for own shares,
- Coverage for current year loss, if such loss could not be covered from retained profit from previous years, legal reserves and capital reserves.

## **XI. MANAGEMENT OF THE COMPANY**

### **BODIES OF THE COMPANY**

#### Article 17

The bodies of the Company are as follows:

1. The Company's Management Board
2. Supervisory Board
3. General Assembly

### **1. THE COMPANY'S MANAGEMENT BOARD**

#### Article 18

The Company's Management Board comprises a minimum of three (3), and a maximum of seven (7) members, one of whom is the Chairman of the Management Board.

The Supervisory Board determines the number of Management Board members by means of a decision.

Members of the Management Board may be appointed if they fulfil the requirements prescribed by the Insurance Act and requirements prescribed by the decision of the Supervisory Board, and if they receive approval for their appointment in accordance with the Insurance Act.

The Supervisory Board may perform the appointment of members of the Management Board by means of a public vacancy announcement.



## **a) Management of business activities**

### Article 19

The Management Board manages all the business activities of the Company jointly.

The Management Board passes decisions by a majority vote, and in case of a tie vote, the deciding vote is that of the Chairman of the Management Board.

Individual members of the Management Board may be in charge of specific tasks within the Company.

## **b) Decision-making in the Management Board**

### Article 20

As a rule, the Management Board passes decisions at meetings, but it can also do that through consulting via telefax, e-mail as well as other technical means which are appropriate.

Minutes are drawn regarding the work done at the meeting or consulting.

Rules of Procedure of the Management Board regulate all matters which are not regulated in these Articles of Association.

## **c) Representation of the Company**

### Article 21

The Company is represented jointly by at least two members of the Management Board.

### Article 22

The Supervisory Board concludes a contract with each member of the Management Board, which regulates his/her rights and obligations, inclusive of the rights arising from employment and any right of participation in the Company's profit.

## **2. SUPERVISORY BOARD**

### Article 23

The Company's Supervisory Board has seven (7) members.

Only a person who fulfils the requirements prescribed by the Insurance Act may be elected or appointed member of the Supervisory Board.

The mandate of Supervisory Board members is 4 years.

#### Article 24

As long as it holds at least 25% of ordinary shares of the Company plus one such share of the Company, the Republic of Croatia is entitled, by virtue of Article 256, paragraph 3 of the Companies Act, to directly appoint two (2) members of the Supervisory Board.

As long as it holds at least 10% of ordinary shares of the Company, the Republic of Croatia is entitled, by virtue of Article 256, paragraph 3 of the Companies Act, to directly appoint one (1) member of the Supervisory Board.

One (1) member of the Supervisory Board is appointed by the Company's Works Council or workers, via direct and secret election held in the manner as prescribed for the election of the Works Council. This entitlement belongs to them as long as the conditions defined in the Labour Act are met.

The remaining four (4) or five (5) members of the Supervisory Board are elected by the Company's General Assembly.

Together with the proposal of members of the Supervisory Board, a written statement is also submitted whereby the person suggested as member of the Supervisory Board, who is to become a member for the first time, declares that he/she is prepared to perform the duty of a Supervisory Board member, and that there are no legal obstacles for him/her to do so.

#### Article 25

The Supervisory Board elected at the General Assembly must be constituted within an appropriate time period following the day of election. At the founding meeting of the Supervisory Board, the members of the Supervisory Board elect the Chairman and Deputy Chairman by a majority of all votes.

#### Article 26

The Supervisory Board performs in particular the following tasks:

1. appoints and recalls the Chairman and members of the Management Board
2. supervises the management of the Company's business activities
3. if necessary, convenes the General Assembly
4. submits a written report on performed supervision to the General Assembly
5. at the proposal of the Management Board, accepts the Annual Financial Statements
6. represents the Company in dealings with the Management Board
7. grants consent to decisions of the Management Board and decides on other issues, when this is prescribed by the law or these Articles of Association,

8. amends the provisions of the Articles of Association based on a decision of the Company's General Assembly, to an editing extent
9. passes the Rules of Procedure for its work
10. performs other tasks which are specifically assigned to it by law or these Articles of Association
11. concludes Contracts with the Management Board.

The Supervisory Board, by a majority of votes of all members, grants its consent when it comes to the following business decisions or acts of the Management Board:

- Disposal and encumbrance of real property of the Company the market value of which exceeds the amount of HRK 1,000,000.00,
- Concluding legal transactions or a series of connected legal transactions the value of which exceeds fifteen percent (15%) of the Company's share capital,
- Determining the Company's business policy,
- Determining the Company's financial plan which is proposed by the Company's Management Board,
- Determining the organization of internal control system,
- Determining the framework for the annual internal audit work program.

The Supervisory Board, as long as the Republic of Croatia holds at least 25% of ordinary shares of the Company plus one such share, grants consent, by a majority of at least 6/7 votes of all members, regarding the following business decisions or acts of the Management Board:

- Disposal and encumbrance of an economic unit belonging to the Company based on insurance transactions, or a significant portion thereof, the value of which exceeds twenty five percent (25)% of the Company's share capital,
- Disposal of stakes or shares in companies in which the Company has a majority share or majority decision-making right, if, in one legal transaction or a series of connected legal transaction, shares or stakes are disposed of whose market value exceeds the amount of twenty-five (25)% of the Company's share capital,
- Decision on granting consent to the Management Board for purposeful and developmental use of recapitalization funds for acquiring of any shares, business stakes or other forms of participation in ownership in insurance companies or other companies performing the business activities as those of the Company in the Republic of Croatia and/or the region (Bosnia and Herzegovina, Montenegro, Kosovo, Macedonia, Slovenia and Serbia).

The Supervisory Board, in the event that the Republic of Croatia holds 25% or less ordinary shares of the Company, passes decisions on granting the consent as referred to in the provision in paragraph 3 of this Article by a majority vote of all members.

#### Article 27

The Supervisory Board may nominate Committees for the purpose of preparing decisions it passes and for monitoring their implementation. Members of the Supervisory Board may take part in the work of any such Committee.

#### Article 28

Decisions of the Supervisory Board are passed by a majority of the total number of members, unless the Articles of Association define otherwise.

#### Article 29

Members of the Supervisory Board are entitled to remuneration for their work in the Supervisory Board and to compensation of their expenses. The amount of the remuneration for members of the Supervisory Board and the participation in profit is determined by the Company's General Assembly.

#### Article 30

The work of the Supervisory Board of the Company is regulated in more detail by means of Rules of Procedure.

### **3. GENERAL ASSEMBLY**

#### Article 31

The General Assembly is the body of the Company in which shareholders exercise their rights in the Company's business activities, unless the law or these Articles of Association define otherwise. The Company's General Assembly comprises holders of shares with voting rights.

#### Article 32

Competence of the General Assembly:

- It passes the Articles of Association and decides on amendments to the Articles of Association,
- Elects and recalls members of the Supervisory Board,
- Decides on use of profit,
- Decides on increase or reduction of the Company's share capital,
- Adopts Annual Financial Statements, when such task is referred to it by the Management Board and the Supervisory Board,
- Decides on giving letters of release to the Management Board and members of the Supervisory Board,

- Appoints the Company's auditors,
- Decides on status changes in the Company,
- Decides on termination of the Company's business operations,
- Decides on other issues in accordance with the law and these Articles of Association.

#### Article 33

The General Assembly is normally convened by the Management Board.

The Supervisory Board convenes the General Assembly when it finds it necessary for the welfare of the Company.

The Management Board must immediately convene the General Assembly if, during the making of financial statements or otherwise, it is determined that there is a loss in the Company which amounts to half of the Company's share capital, and it must notify the General Assembly to that effect.

The Management Board must convene the General Assembly if this is requested (in writing) by shareholders who together hold shares in the amount of at least one twentieth of the Company's share capital, stating the purpose and reason for the convocation of this General Assembly.

#### Article 34

The General Assembly must be convened at least 30 days prior to the date determined for application of shareholders in accordance with paragraph 3 of this Article.

The convocation of the General Assembly, the Agenda and the Invitation to the General Assembly are published in the Official Gazette.

The voting and participation right at the General Assembly can only be exercised by the shareholder who (in writing) applies to the Management Board for participation no later than seven days prior to the General Assembly meeting.

The decision on convocation of the General Assembly must always contain:

- Company name and seat
- time and place of the General Assembly
- instruction on exercising one's rights to participating and voting in accordance with paragraph 3 of this Article.

#### Article 35

The Management Board must, at the General Assembly, give each shareholder, at his/her request, a notification on the business operations of the Company if this is necessary for the assessment of issues on the agenda.

This notification is given orally.

#### Article 36

The General Assembly is chaired by the Chairman of the Supervisory Board or a person appointed by him.

No decision can be made at the General Assembly if it is not attended by shareholders whose shares account for half of the total share capital of the Company.

The General Assembly passes decisions by a majority vote, through public voting.

#### Article 37

Convocation and work of the General Assembly can be regulated by means of Rules of Procedure for the General Assembly.

#### Article 38

Each shareholder bears the expenses incurred by him/her due to participation in General Assembly meetings, and the costs of preparation and holding of General Assembly meetings are to be borne by the Company.

## **XII. BUSINESS SECRET**

#### Article 39

Business secret is considered to be each document or piece of information whose disclosure to third parties might harm the business interests and reputation of the Company or companies in which the Company has a majority share or majority decision-making right.

Business secret constitutes in particular: insurance portfolio with expiration dates schedule, information about financial and material business activities of the Company, the Company's business plan, information about the business policy, bases for new types of insurance, bases for commercial offers, information about salaries, all documents marked as "confidential", as well as any other document or information which has been declared a business secret by a competent body of the Company.

#### Article 40

Disclosure of contents of documents or data considered to be business secret shall not be considered as failure to maintain confidentiality if such documents or data are disclosed to persons, organizations and bodies to whom they may or must be disclosed based on regulations or authorizations arising from the function they perform or the position they are in.

Disclosure of data which is considered business secret in General Assembly meetings and Supervisory Board meetings of the Company shall not be considered failure to maintain confidentiality if such disclosure was necessary for the purpose of performing management functions. In this case the participants need to be warned

that it is a business secret.

### **XIII. OBLIGATION TO MAINTAIN CONFIDENTIALITY**

#### Article 41

Members of the Company's bodies, shareholders and workers of the Company, or other persons who, in connection with their work in the Company or with providing services for the Company, have at their disposal any confidential information or facts and circumstances which became apparent in business operations with an individual insurance company, insured or another holder of insurance rights, must not disclose this information to any third parties, or use it contrary to the interests of the Company and its clients, or enable it to be used by third parties.

Obligation of maintaining confidentiality terminates in the events prescribed by the Insurance Act.

### **XIV. MANAGEMENT OF COMPANIES IN WHICH THE COMPANY HAS A MAJORITY SHARE OR MAJORITY DECISION-MAKING RIGHT**

#### Article 42

The Decision on founding companies in which the Company shall have a majority share or majority legal decision-making right is passed by the Management Board in accordance with Article 26, paragraph 2 of the Articles of Association.

Companies in which the Company has a majority share or majority decision-making right together with the Company comprise a Group.

Legal-economic relationships between the Company, as the governing one, and companies in which the Company has a majority share or the majority decision-making right, as dependent companies, can be regulated by closing an adequate entrepreneurs' contract.

The Decision on concluding the contract referred to in the previous paragraph is passed by the Management Board in accordance with Article 26, paragraph 2 of the Articles of Association.

### **XV. PUBLISHING OF INFORMATION AND NOTIFICATIONS ISSUED BY THE COMPANY**

#### Article 43

Information and notifications are published in the Official Gazette of the Republic of Croatia, and if necessary, also in daily newspapers.

### **XVI. FINAL PROVISIONS**

#### Article 44

The original of these Articles of Association shall be the text of the Articles of Association which has been validly adopted at the General Assembly and signed by the Chairman of the General Assembly."

#### Article 2

This decision shall enter into force and it shall be applied as of the day of entering thereof in the court register.

#### **3. b – PROPOSAL OF DECISION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD REGARDING ITEM 3. B OF THE AGENDA:**

Pursuant to Article 32 of the Articles of Association of CROATIA osiguranje d.d. and Article 275, paragraph 1, item 5 of the Companies Act, the **preference** shareholders of the Company passed, at the 39<sup>th</sup> meeting of the General Assembly held on 22 April 2014, a Decision about:

#### **AMENDMENT TO THE ARTICLES OF ASSOCIATION**

**In the same text as in the proposal for the decision on amendment to the Articles of Association as referred to in Item 3. a of the Agenda.**

#### **4. – PROPOSAL FOR DECISION OF THE SUPERVISORY BOARD REGARDING ITEM 4 OF THE AGENDA:**

Pursuant to Article 32 of the Articles of Association of CROATIA osiguranje d.d. and Article 275, paragraph 1, item 5 of the Companies Act, the shareholders of the Company passed, at the 39<sup>th</sup> meeting of the General Assembly held on 22, April 2014 a Decision on

#### **ELECTION OF THE SUPERVISORY BOARD MEMBERS**

#### **I**

The following persons are elected to the Supervisory Board of CROATIA osiguranje d.d.:

1. Ante Vlahović, Chairman of the Management Board of ADRIS GRUPA d.d., Rovinj, Tina Ujevića 11, PIN ("OIB"): 77363962568,



2. Plinio Cuccurin, Member of the Management Board of ADRIS GRUPA d.d., Pula, Vrtlarska 6, PIN ("OIB"): 65278825271,
3. Branko Zec, entrepreneur, Rovinj, V. Spinčića 2, PIN ("OIB"): 26524863280,
4. Roberto Škopac, Head of Legal Affairs Department of ADRIS GRUPA d.d. Zagreb, Vinogradska 12, PIN ("OIB"): 65368121160,
5. Associate professor Josip Tica, PhD, Zagreb, associate professor at the Faculty of Economics of the University in Zagreb, Aleja Antuna Augustinčića 16/1, PIN ("OIB"): 40651703524.

## II

Mandate of the Supervisory Board members is four (4) years.

## III

This Decision enters into force on the day of passing thereof"

### **III. NOTICE TO SHAREHOLDERS AND INSTRUCTIONS FOR PARTICIPATION AND EXERCISING VOTING RIGHTS**

#### **APPLICATION**

Shareholders who want to participate in the General Assembly are obliged to apply for participation in writing. The application is submitted directly at the Company's seat or sent by registered mail to the following address: CROATIA osiguranje d.d., Generalna direkcija, Sektor za pravne poslove, Miramarska 22, 10000 Zagreb (with the wording: Application for General Assembly) six days prior to the General Assembly being held. The said deadline of 6 days does not include the day the application is received at the Company, or the day of the General Assembly meeting, i.e. the right to participate and vote in the General Assembly is granted to those shareholders whose application is received at the above stated address on 15 April 2014 at the latest, and who are registered as shareholders of CROATIA osiguranje d.d. with the Central Depository and Clearing Company (CDCC) on that same day.

If the shareholder is a legal person, the application form shall be certified by its usual stamp and signed by an authorized person, with the excerpt from the court register enclosed. If the shareholder is a natural person, the application form shall be signed by him/her personally. The application form is available to all shareholders at the Company's website [www.crosig.hr](http://www.crosig.hr).

#### **POWER OF ATTORNEY**

A shareholder fills in the ballot paper/power of attorney form by writing down the correct name/company name of a legal person, its seat, personal identification number (OIB) and the account number with CDCC, or the correct name and family name of a natural person, their address, personal identification number (OIB) and the account number with CDCC. Where the shareholder is represented by a proxy, the power of attorney form must contain the following data written in capital letters on the line provided for that purpose: name and family name of the proxy, as well as his/her residence/address. If a shareholder is a legal person, the power of attorney shall be certified by its usual stamp and signed by an authorized person, with the excerpt from the court register enclosed. If a shareholder is a natural person, the power of attorney shall be signed either in the presence of an authorized employee of the Legal Department at the Head Office of CROATIA osiguranje d.d. prior to the General Assembly, or the signature has to be certified by a Notary Public. The filled in ballot paper/power of attorney should be sent together with the application for participation in the General Assembly. The ballot paper/power of attorney form, with detailed explanations on how it should be filled in, is available to all the shareholders at the Company's website [www.crosig.hr](http://www.crosig.hr). The proof of appointment of a proxy (a scan of the signed power of attorney) may also be sent by e-mail to: [gs@crosig.hr](mailto:gs@crosig.hr), and the original is to be submitted to the authorized employees of the Company on the day of the General Assembly.

## **MATERIALS FOR THE GENERAL ASSEMBLY**

This invitation accompanied by the application form, ballot paper, power of attorney form and all the materials for the 39<sup>th</sup> General Assembly are made available to the shareholders at the Company's website [www.crosig.hr](http://www.crosig.hr) from the day this invitation is published in the Official Gazette. All the materials for the 39<sup>th</sup> General Assembly of CROATIA osiguranje d.d. are also available to the shareholders at the Legal Department, Head Office, at the seat of the Company.

## **PROPOSING NEW AGENDA ITEMS**

The shareholders who together hold one twentieth of the share capital of the Company have the right to request that an additional item be included in the agenda of the General Assembly. They shall accompany such request by an explanation and respective decision proposal. Such request must be received by the Company at least 30 days prior to the day the General Assembly takes place. This deadline does not include the day the request is received by the Company.

## **SHAREHOLDERS' COUNTERPROPOSALS**

Shareholders' counterproposals to the proposals of the Company's Management Board, relating to a particular agenda item, submitted with names and surnames of the shareholders and an accompanying

explanation, as well as the shareholders' proposals regarding the election of the Supervisory Board members or appointment of the Company auditor, submitted without an explanation, have to be received at the Company at least 14 days prior to the day the General Assembly takes place. The date such counterproposals are received by the Company is not included in this 14 day deadline. In case a shareholder does not exercise this right, he/she shall still be entitled to make counterproposals at the General Assembly.

## **RIGHT TO INFORMATION**

At the General Assembly, the Management Board is obliged to provide information about the Company's operations to any shareholder at his/her request, if such information is necessary to assess the matters included in the agenda of the General Assembly. However, such information may be withheld due to reasons defined in the Companies Act.

## **GENERAL NOTIFICATIONS FOR SHAREHOLDERS**

CROATIA osiguranje d.d. hereby informs its shareholders that at the moment of convocation of the 39<sup>th</sup> General Assembly the share capital of CROATIA osiguranje d.d. is divided in 316,348 shares, of which 307,598 are ordinary shares and 8,750 are preference shares, with each share entitling to one vote.

Pursuant to Article 277, paragraph 4, item 4 of the Companies Act, CROATIA osiguranje d.d. informs the shareholders that all notifications pursuant to Article 280a of the Companies Act are available at the Company's website [www.crosig.hr](http://www.crosig.hr).

The participants are invited to come to the General Assembly one hour prior to its scheduled beginning in order for the list of participants to be made on time.

Pursuant to the Articles of Association of CROATIA osiguranje d.d., the General Assembly cannot pass valid decisions unless attended by the shareholders representing half of the Company's total share capital. In case the quorum is not met, pursuant to the provision of Article 36, paragraph 2 of the Articles of Association of CROATIA osiguranje d.d., the next General Assembly will be held on 22 April 2014, at 15:00 hours, with the same agenda and at the same venue, and this General Assembly shall be able to pass valid decisions notwithstanding the amount of the share capital represented. Given powers of attorney will be valid for this General Assembly as well.

**CROATIA osiguranje d.d.**