



MANAGEMENT BOARD

Pursuant to Article 277 of the Companies Act and Article 50 of the Statute of Dalekovod d.d., at its meeting held on April 9, 2014 the Management Board adopted the

DECISION TO CALL AN EXTRAORDINARY GENERAL MEETING OF DALEKOVOD D.D. ZAGREB

and issued the following

NOTICE OF GENERAL MEETING OF THE SHAREHOLDERS OF Dalekovod d.d. Zagreb

The general meeting of the shareholders of Dalekovod d.d. will be held on **May 26, 2014 (Monday)** at **15:00** h at the company offices at Žitnjak, Marijana Čavića 4, Zagreb.

I.

The formal agenda proposed for the Extraordinary General Meeting is as follows:

A g e n d a:

1. The opening of the General Meeting
 - a) Verification of the right to attend, powers of attorney, attendance of shareholders and the percentage of share capital represented at the meeting.
 - b) Verification of whether the Extraordinary General Meeting has been duly convened and if decision-making conditions have been met.
2. Resignations of Supervisory Board members.
3. Decision on the appointment of new Supervisory Board members.
4. Decisions regarding modifications and amendments to the Statute.

PROPOSED DECISIONS

Ad 2)

Item 1

It is hereby noted and established that resignations have been given by the following members of the Supervisory Board:

1. Marijan Pavlović, PIN: 74726318835, Zagreb, Ružmarinka 17
2. Nataša Ivanović, PIN: 20863256891, Zagreb, Fancevljev prilaz 3
3. Dubravko Štimac, PIN: 40402971482, Zagreb, Veslačka 2
4. Davor Doko, PIN: 53427448851, Zagreb, Cvjetna cesta 7/a
5. Ante Ćurković, PIN: 08630751083, Zagreb, Zelena magistrala 38

Item 2

The mandates of the Supervisory Board members shall expire at the conclusion of the hereby convened Extraordinary General Meeting.

Ad 3) The Supervisory Board, in keeping with the valid proposal put forward by the shareholder Konsolidator d.o.o., Nova Ves 11, Zagreb, related to the choice of candidates proposes that the Extraordinary General Meeting adopts the following

DECISION

Item 1

The following members of the Supervisory Board are elected:

1. **Vlado Čović**, PIN: 37833857103, Šibenik, Ruže Vukman 6
2. **Ivan Peteržilnik**, PIN: 57362195171, 40211 Düsseldorf, Börnestr 7, Germany
3. **Marko Lesić**, PIN: 13575321884, Zagreb, Tuškanac 56B
4. **Krešimir Ružđak**, PIN: 03757162119, Zaprešić, Tržna 5

Item 2

The above Supervisory Board members are elected for four-year terms, starting at the conclusion of this Extraordinary General Meeting and ending at the conclusion of the General Meeting at which members of the Supervisory Board will be issued clearances for the last year of their mandates.

Item 3

The election of the remaining two members of the Supervisory Board will be based on valid proposals and put on the agenda of the following General Meeting.

Item 4

This decision shall come into effect at the conclusion of this Extraordinary General Meeting.

Item 5

This decision will be recorded in the register maintained by the Commercial Court in Zagreb.

Ad 4) The Management Board and the Supervisory Board propose that the shareholders attending the Extraordinary General Meeting adopt the following

DECISION ON MODIFICATIONS AND AMENDMENTS TO THE COMPANY STATUTE

Article 1

Article 14, paragraph 2 of the Statute has been modified and now reads:

“(2) Shares, except those issued in book-entry form, can be transferred by endorsement, cession and qualified cession. Shares issued in book-entry form are transferred as prescribed by the Act regulating dematerialized securities. “

Article 2

The entire Article 15 of the Statute is deleted.

Article 3

Article 18, paragraphs 1 and 2 of the Statute have been modified and now read:

“(1) The General Meeting of the Company can adopt a decision on the increase of the share capital of the Company so that financial instruments from Article 21 could be converted into equity or so that priority subscription rights could be exercised (conditional increase of the share capital).

(2) A decision on the increase of the share capital of the Company can be adopted only for the following purposes:

1. the exercise of the Company’s creditors’ rights to convert their claims from financial instruments from Article 21 into equity and their use of priority subscription rights;
2. preparations for the merging of several companies;
3. the exercise of the Company’s or related company’s employees and Management Board members’ rights to shares based on a decision of the General Meeting;

4. giving away shares in the parent Company to the shareholders i.e. members of a subsidiary under Article 492, paragraphs 2 and 3 of the Companies Act, if a contract has been signed on the management of the Company's operations or transfer of profits or shares in the parent company to shareholders, i.e. members of a company merged under Article 504 a, paragraph 2 of the Companies Act."

Article 4

The heading above Article 22 has been modified to read "Convertible Bonds and Convertible Loans".

Article 5

Article 22, paragraphs 1, 2, 4 and 5 of the Statute are modified and now read:

"(1) The Company can issue convertible bonds and take out convertible loans. The provisions of this article apply to all other contractual relationships and financial instruments including the issue of new shares for the purpose of, actual or potential, Company's settlement of its contractual liabilities using own shares.

(2) Bonds and loans from paragraph 1 of this Article are issued and contracts on convertible loans signed only in accordance with the related decision adopted by the General Meeting.

(4) The rights and obligations of holders of convertible bonds or convertible loans are regulated in detail by the decision from paragraph 2 of this Article, in accordance with the law and the Statute.

(5) Shareholders hold the priority right to acquire convertible bonds. The provisions of Article 20 of this Statute will apply to that priority right accordingly. "

Article 6

The first sentence of Article 25, paragraph 3 of the Statute has been modified to read:

"(3) The Supervisory Board may adopt a decision to recall a Management Board member, including the President. "

Article 7

Article 26, paragraphs 1 and 2 of the Statute have been modified to read:

"(1) Members of the Management Board may participate in profits.

(2) The Supervisory Board and Members of the Management Board enter into separate agreements on each member's position on the Board, regulating in detail all of member's rights and obligations arising from taking position on the Board. Terms of position (salary, participation in profits, variable salary part dependent on the Company's performance, compensation of expenses, insurance premiums, terms of contract termination, notice period, etc.) are established by the Supervisory Board. "

Article 8

Article 31, paragraph 2 of the Statute has been modified to read:

“(2) If the Supervisory Board rejects approval of the decision of the Management Board, the Management Board can request the General Meeting to adopt the decision by a qualified majority, which requires three quarters of shares, i.e. votes represented at the General Meeting. “

Article 9

Article 35 of the Statute is modified to read:

“Members of the Management Board are appointed for a term of four (4) years. “

Article 10

Article 40, paragraph 2 of the Statute has been modified to read:

“(2) The application is submitted by the Management Board. “

Article 11

The following sentence is added to Article 41, paragraph 5 of the Statute:

“Absent members of the Supervisory Board may take part in the adoption of decisions at the meeting by casting their vote in writing. Their votes in writing can be submitted by other members of the Supervisory Board. Instead of an absent member of the Supervisory Board that member’s proxy can participate in the work of the Supervisory Board, provided that the proxy has been granted a power of attorney with precise instructions on the vote to be given on each item on the agenda of the relevant meeting of the Supervisory Board. “

Article 12

Article 41, paragraph 6 of the Statute is modified to read:

“(6) The Supervisory Board can adopt decisions without holding a meeting using circulars (correspondence, e-mails, by phone or fax) if neither of the members of the Supervisory Board requests that a meeting is held. “

Article 13

Article 42, paragraph 4 of the Statute has been modified to read:

“(4) The Supervisory Board can form commissions. Commissions are formed to facilitate the implementation of the powers granted to the Supervisory Board by law and the Statute. Commission members are members of the Supervisory Board and experts in the field particular commission is in charge of. Depending on the level of engagement, the Company and commission members can sign temporary service contracts, i.e. contracts of service.

Members of the Supervisory Board are entitled to receive compensation for their work in accordance with Article 41, paragraphs 7 and 8, and Article 64, paragraph 2 of the Statute, regardless of the compensation received for their work on the commissions of the Supervisory Board under temporary service contracts, i.e. contracts of service. The Supervisory Board under Article 300 c of the Companies Act submits reports to the General Meeting on the active commissions and the number of sessions held by each commission. The Supervisory Board is responsible for the commissions. “

Article 14

Article 43 of the Statute has been modified to read:

“The Supervisory Board of the Company decides on the approval of the business decisions of the Management Board related to:

1. formation of new partnerships, corporations and/or acquisition of new shares in companies with the nominal value exceeding 25 percent of the share capital of such companies;
2. contracts on joint investment that can be in the form of contract or investment deal, when the value of transactions exceeds 30 percent (30 %) of the Company’s share capital;
3. purchase and disposal of real property valued at over 30 percent (30%) of the Company’s share capital;
4. taking out a loan valued at over 30 percent (30%) of the Company’s share capital;
5. establishing a lien, fiduciary rights in movable and immovable property and other security instruments, such as bills of exchange, debentures, etc., if the amount of claim secured by the lien, transferred right or other security exceeds 30 percent (30 %) of the Company’s share capital;
6. becoming a guarantor, co-borrower and similar for other legal persons, if guaranteed or borrowed amount or the value of other security instrument exceeds 30 percent (30 %) of the Company’s share capital;
7. disposal or encumbering of subsidiaries of the Company or of a significant portion of the Company;
8. increase or decrease of share in subsidiaries or appointment or recall of members of their bodies and bodies of other legal persons the Company is a member of;
9. work programme and business plan of the Company;
10. other instances prescribed by law, this Statute or special decisions of the Supervisory Board or the General Meeting.“

Article 15

The second sentence in Article 49, paragraph 6 of the Statute has been modified to read:

“(6) If a shareholder issues a power of attorney to more than one person, the Company may reject one or more such powers of attorney.“

Article 16

Article 52, paragraph 2 of the Statute is deleted.

Article 17

Article 54 of the Statute has been modified to read:

“(1) The General Meeting may adopt valid decisions if attending shareholders, their proxies or legal representatives hold shares with a total nominal value exceeding 40% of the share capital of the Company, except in exceptional cases prescribed by this Statute.

(2) If there is no quorum required in paragraph 1, the following General Meeting will be held at the same time a week after the beginning of the General Meeting from paragraph 1 of this Article and at the meeting valid decisions can be made if attended by shareholders or their legal representatives whose shares represent over 10% of the nominal value of the Company’s share capital. “

Article 18

Article 56, paragraph 2, items 5 and 8 of the Statute have been modified and now read:

“5. issuing of convertible bonds and convertible loans under Article 21;
8. transfer of assets as prescribed by the Act;“

Article 19

Article 71 of the Statute has been modified and now reads:

“(1) Proposal of amendment and modification to the Statute can be put forward by the:

1. Supervisory Board;
2. Management Board; or
3. shareholders holding a minimum of 5 percent of voting shares in relation to the total number of voting shares existing at the time of proposal submission.

(2) The Supervisory Board establishes the wording of the proposed amendment and modification to the Statute and submits it to the General Meeting for consideration. “

Article 20

All other provisions of the Statute of the Company remain unchanged, unless spelling or grammatical modifications have been made.

Article 21

Pursuant to these amendments and modifications a consolidated text of the Statute of the Company will be made with necessary changes in the numbering of articles.

II.

The right to participate in the work of the Extraordinary General Meeting and the right to vote at the Extraordinary General Meeting have persons who cumulatively meet the following requirements:

- they are entered as shareholders in the Company's Shareholder Register,
- they have submitted an application to participate in the Extraordinary General Meeting not later than seven (7) calendar days prior to the day on which the Extraordinary General Meeting will be held, i.e. by May 18, 2014. The application is filed to the Management Board of the Company in writing.

The Shareholder Register kept by the Central Depository & Clearing Company Inc. will be closed on May 18, 2014.

Any transfer of shares made within seven days prior to the Extraordinary General Meeting until the closing of the Extraordinary General Meeting will not give the right of participation in the called Extraordinary General Meeting. Each ordinary share entitles its holder to one vote.

Shareholders may participate in the Extraordinary General Meeting through their proxies. A power of attorney has to specify the grantor and the proxy, the total number of shares, i.e. votes and the power granted to the proxy to vote at the Extraordinary General Meeting and the signature of the grantor. The application and power of attorney forms are integral parts of this notice and attached as appendices.

The application and power of attorney forms and proposed decisions and materials that are the reference material for the adoption of proposed decisions are available to shareholders every business day 8:00 – 15: 00 h, starting from the date of publication of this Call, at the following locations:

- Žitnjak, M. Čavića 4, ground floor, small meeting room
- Velika Gorica, room no. 203
- on the web pages of the Company (www.dalekovod.hr)

Shareholders holding a share equalling one twentieth of the share capital of the Company may request an item to be put on the agenda of the Extraordinary General Meeting and its publication. Every new item on the agenda has to come with an explanation and a proposed decision. A request for an item to be put on the agenda has to be submitted to the Company at least 30 days prior to the Extraordinary General Meeting. The day of arrival of the request at the Company's offices is not included in that term. Shareholders who wish to submit counterproposals to the decisions proposed by the Management Board may do so at least 14 days prior to the Extraordinary General Meeting by submitting their counterproposal and related explanation. The day of arrival of the request at the Company's offices is not included in that term. If a shareholder does not exercise that right, that will not cause the shareholder to lose the right to give counterproposals at the Extraordinary General Meeting.

At the Extraordinary General Meeting the Management Board has to give every shareholder, upon that shareholder's request, information concerning the operations of the Company, if that is necessary for making informed decisions on the items on the agenda. The obligation to provide information applies to legal and business relationships between the Company and subsidiaries.

If the quorum requirement is not met at the General Meeting called for May 26, 2014 within the scope of the provisions of Article 45 of the Statute of the Company, the following (supplemental) Extraordinary General Meeting will be held on the same day at the same place at 16:00 h and can adopt valid decisions if attending shareholders together have shares with a total nominal value exceeding 10% of the share capital of the Company.

DALEKOVOD d.d.
President of the Management Board
Goran Brajdić, m.p.

Appendices:

A)

APPLICATION

This is an application to attend the Extraordinary General Meeting of Dalekovod d.d. to be held on Monday, **May 26, 2014** at **15:00 h** at: Zagreb – Žitnjak, Marijana Čavića 4.

I _____ born on _____ [*date of birth*],
(Name)

ID card № _____ hold _____ ordinary shares of Dalekovod d.d. with a nominal value of HRK 10 and hereby apply to attend the Extraordinary General Meeting of Dalekovod d.d.

Signature _____

Note:

Application submittal deadline is May 18, 2014.

Application received on _____

Signature _____

B)

POWER OF ATTORNEY

By this power of attorney I,

(full name, date of birth, PIN, address of the Shareholder-Grantor)
authorize _____

(full name, date of birth, PIN, address of the proxy)
to represent me at the Extraordinary General Meeting of the Shareholders of Dalekovod d.d.
to be held on _____.

The proxy is authorized to represent me at the above Extraordinary General Meeting and especially to submit proposals, participate in discussions, decide and vote on all items on the agenda put forward at the meeting.

The proxy has _____ votes the grantor has acquired by entry, cession, purchase of _____ordinary shares of Dalekovod d.d.

In Zagreb, on _____

Signature of the Grantor

Received on _____

Signature _____