

**INVITATION TO THE MEETING OF THE GENERAL ASSEMBLY
OF GRANOLIO D.D.**

Pursuant to Article 277 of the Companies Act and Article 43 of Granolio d.d. Articles of Association, the Management Board, acting upon the Decision on the calling of the General Assembly of 28 April 2016, convened

The General Assembly of Granolio d.d. Zagreb, Budmanijeva 5,

will be held on 9 June 2016 at 12:00 hours at the DoubleTree by Hilton Hotel in Zagreb, Olive Meeting Room I, Ulica grada Vukovara 269a, Zagreb.

I.

The following Agenda is proposed for the General Assembly meeting:

A g e n d a :

1. Opening of the General Assembly meeting, establishing the list of participants at the General Assembly,
2. Management Report on the status of the Company and affiliated companies for 2015,
3. Report of the Supervisory Board on the supervision of the Company's operations for 2015,
4. Consolidated financial statements for 2015 and Independent Auditor's Report by Deloitte d.o.o. on the audit of the Granolio Group for 2015,
5. Financial statements for 2015 and Independent Auditor's Report by Deloitte d.o.o. on audit of Granolio d.d.,
6. Decision on the proposal for covering the loss from the previous period, distribution of earnings from 2015 and payment of dividend,
7. Resolution on the removal of:
 - a. members of the Management Board,
 - b. members of the Supervisory Board,
8. Amendment to the Articles of Association,
9. End of term by expiry and recall of Members of the Supervisory Board,
10. Selection of Members of the Supervisory Board,
11. Selection of Chairman and Vice-Chairman of the General Assembly
12. Resolution on the appointment of an auditor of the Company for the year 2016.

II.

Pursuant to Article 280, paragraph 3 and 4 of the Companies Act, the

Management Board and the Supervisory Board of the Company propose to the General Assembly to pass the following resolutions:

Ad 2) The Management Board and the Supervisory Board propose to the General Assembly to pass the following r e s o l u t i o n :

The Management Report on the status of the Company and affiliated Companies for the year 2015 is hereby adopted.

Ad 3) The Management Board and the Supervisory Board propose to the General Assembly to pass the following r e s o l u t i o n :

The Supervisory Board Report on the supervision of Company operations for the year 2015 with a proposal for coverage of losses and results of the review of annual financial statements, of reports on operations and of the Report on the state of the Company and affiliated companies is hereby adopted.

Ad 4) The Management Board and the Supervisory Board propose to the General Assembly to pass the following r e s o l u t i o n :

Consolidated financial statements for the year 2015 and the Auditor's Report by Baker Tilly Discordia d.o.o. on the audit of the Granolio Group for 2015 are hereby acknowledged.

Ad 5) The Management Board and the Supervisory Board propose to the General Assembly to pass the following r e s o l u t i o n :

Financial statements for the year 2015 and the Auditor's Report by Baker Tilly Discordia d.o.o. on the audit of Granolio d.d. for 2015 are hereby acknowledged.

Ad 6) The Management Board and the Supervisory Board propose to the General Assembly to pass the following r e s o l u t i o n :

I. The loss from the previous period in the amount of HRK 10,717,092.12 is to be covered through retained earnings in the amount of HRK 3,638,819.68.

II. The earnings from 2015 in the amount of HRK 9,073,131.33 (after taxes) are distributed as follows:

- loss coverage in the amount of HRK 7,078,272.44,
- legal reserves in the amount of HRK 99,742.94,
- reserves for company's own shares in the amount of HRK 800,000.00,
- retained earnings in the amount of HRK 144,294.45,
- payment of dividend HRK 950,821.50.

III. The Management Board proposes that the dividend for 2015 is set in the amount of HRK 0.50 per share. The shareholders may claim the payment of dividend from the Company upon the expiry of the day of the General Assembly meeting when the decision on dividend payment is made, and the dividends are paid within 30 days from the date of the decision, in line with Article 59 of the Company's Articles of Association.

Ad 7) The Management Board and the Supervisory Board propose to the General Assembly to pass the following r e s o l u t i o n :

a) Work of members of the Management Board regarding the management of the Company's business for the previous business year **are approved** (a note of release is issued).

b) Work of members of the Supervisory Board regarding the supervision of the Company's business for the previous business year **are approved** (a note of release is issued).

Ad 8) The Management Board and the Supervisory Board propose to the General Assembly to pass the following r e s o l u t i o n :

I. Article 27, paragraph 1 of the Company's Articles of Association is amended and reads:

"The President and the Members of the Management Board are appointed by a decision of the Supervisory Board for a period of up to five years, which shall be renewable."

II. Article 36 of the Company's Articles of Association is amended and reads:

"The Members of the Supervisory Board are selected, i.e. appointed for a period of up to four years in line with the decision of the Company's General Assembly.

The term of the Members of the Supervisory Board starts on the day of the decision on appointment, under the condition that they accept the appointment.

Unless the term of the Members of the Supervisory Board ends sooner in any of the ways described in the Companies Act, their term ends with the decision of the General Assembly on giving release to the Members of the Supervisory Board in the third financial year of their term, with the first year of the term considered as part of this period."

III. Article 44 of the Company's Articles of Association is amended and reads:

"The General Assembly meeting is scheduled a minimum of 30 days before the meeting date. This deadline does not include the date of the invitation.

The content and the manner of invitation to the General Assembly meeting are governed by the provisions of the Companies Act referring to companies whose shares are traded on a regulated market."

Ad 9) The Company's Supervisory Board proposes to the General Assembly to pass the following r e s o l u t i o n :

"I. The term has expired for the following Members of the Supervisory Board: Mr. Juriž Detiček, PIN: 33107549371, citizen of the Republic of Slovenia, Ljubljana, Rimska 14 and Mr. Braslav Jadrešič, PIN: 82091687277, citizen of the Republic of Croatia, with residence in Zagreb, Bleiweisova 11

II. For the purpose of adjusting the duration of the term of the Members of the Supervisory Board, the following members are also being recalled: Mr. Davor Štefan, PIN: 57572543507, Zagreb, Pantovčak 134 and Mr. Josip Lasić, PIN: 95348594512, Zagreb, Malešnica 8."

Ad 10) The Company's Supervisory Board proposes to the General Assembly to pass the following r e s o l u t i o n :

"The persons appointed as Members of the Supervisory Board are Mr. Juriј Detiček, PIN: 33107549371, citizen of the Republic of Slovenia, Ljubljana, Rimska 14, Mr. Davor Štefan, PIN: 57572543507, citizen of the Republic of Croatia, with residence in Zagreb, Pantovčak 134 and Mr. Josip Lasić, PIN: 95348594512, citizen of the Republic of Croatia, with residence in Zagreb, Malešnica 8."

Ad 11) The Company's Supervisory Board proposes to the General Assembly to pass the following r e s o l u t i o n :

"The person appointed as Chairman of the General Assembly is Mr. Davor Lončarić, PIN: 61870167336, with residence in Zagreb, Kalabarovo vrelo 10.

The person appointed as Vice-Chairman of the General Assembly is Mr. Davor Mitrović, PIN: 06853052631, with residence in Zagreb, Siget 18a, both for a period of 4 years, starting from 03/07/2016, the date of expiry of the current Chairman's term."

Ad 12) The Company's Supervisory Board proposes to the General Assembly to pass the following r e s o l u t i o n :

DELOITTE d.o.o., Radnička cesta 80/VI, 10000 Zagreb, OIB: 11686457780 is appointed auditor of the Company for the year 2016.

III.

Shareholders of the Company are hereby invited to participate in the General Assembly convened as per Decision on the calling of the General Assembly.

Shareholders, i.e. their proxies, have voting rights and the right to participate in the General Assembly if they are registered with the Central Depository and Clearing Company as shareholders on the beginning of the 21st (twenty first) day before the General Assembly is held. (Article 48 of the Company's Articles of Association), and persons who apply for participation at the General Assembly no later than 6 (six) days before the General Assembly meeting is held (Article 46 of the Company's Articles of Association).

The General Assembly cannot pass valid decisions unless attended by shareholders representing 50% of shares carrying voting rights - a quorum (Article 53 of the Company's Articles of Association). All resolutions are passed by a majority vote, except the resolution regarding Agenda item 8 and 9, which is passed by a qualified majority, i.e. a 3/4 majority of shares represented in the General Assembly (Article 47 of the Company's Articles of Association). Each share with a nominal value of HRK 10.00 carries one vote in the Company's Assembly (Article 47 of the Company's Articles of Association).

The application for participation (application form available on the Company website: <http://www.granolio.hr/hr/investitori/>) is made in writing and sent to the Company's Management Board at the Company's seat.

Voting rights at the General Assembly may also be exercised by proxy. The Power of Attorney must be made in writing (form available on the Company website), it must be certified by a notary public and must explicitly grant the proxy the right to vote at the General Assembly. Unless already submitted, the Power of Attorney is submitted to the Company along with the application for participation at the General Assembly meeting prior to its start. The Power of Attorney is retained in the Company archives. A copy of the signed Power of Attorney may also be e-mailed to: granolio-pk@granolio.hr

Shareholders who are legal persons must along with the application and/or Power of Attorney submit also a copy or excerpt from the relevant register.

Annual financial statements, the Report on the state of the Company and affiliated companies, the Report of the Supervisory Board, proposal of the decision on the distribution of earnings and other written materials pertaining to individual items of the Agenda, as well as application forms and power-of-attorney templates required for participation at the General Assembly meeting may be obtained on business days between 10 am and 12 pm at the Company's seat after the Calling of the General Assembly meeting is released. At their request, shareholders will receive copies of the said documents.

Shareholders who jointly hold at least a twentieth of the Company's share capital may request that items be added to the General Assembly meeting Agenda, accompanied by an explanatory note and respective resolution proposal. The Company has to receive the request at least 30 days prior to the General Assembly meeting. The day of receipt of the request is not included in the 30-day period.

Shareholders are entitled to make counterproposals to the proposals made by the Management Board and/or Supervisory Board or to make nominations regarding the appointment of auditors by stating their name and surname no later than 14 days prior to the the General Assembly meeting. The day of receipt of the counterproposal is not included in the 14-day period. In case the shareholder does not exercise this right, this will not result in the loss of the right to file counterproposals at the General Assembly meeting.

At the General Assembly meeting, the Management Board is obliged to provide information about Company operations to any shareholder at their request if this is necessary for deliberating issues on the Agenda. This information may be withheld for reasons provided for by the Companies Act.

Starting with the day the General Assembly meeting is convened, the Invitation to the General Assembly, documents of relevance to the General Assembly meeting, the total number of shares and voting rights at the time the General Assembly is called as well as application forms and power of attorney templates necessary for

participation, will be available on the Company website (<http://www.granolio.hr/hr/investitori/>).

IV.

If the General Assembly meeting to be held on 9 June 2016 fails to meet quorum requirements or cannot be held for any other reason, a new Assembly meeting with the same agenda will be held at the Company's premises in Zagreb, Budmanijeva 5 on 13 June 2016 at 09:00 hours. The new Assembly meeting will be held regardless of the number of shareholders attending and the decisions will be passed by a majority of votes cast.

GRANOLIO d.d.
President of the Management Board



Granolio

Hrvoje Filipović
d.d. Zagreb