

**INVITATION TO 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 convening the General Assembly of June 30, 2020, convenes

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

which will be held on August 28, 2020 at 11:00 hours at the DoubleTree by Hilton Hotel in Zagreb, Olive I Meeting Room, 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, election of the President and Vice-president of the General Assembly, establishing the list of participants at the General Assembly,
2. Management Report on the status of the Company and affiliated companies for the year 2019,
3. Report of the Supervisory Board on the supervision of the Company's operations for the year 2019,
4. Consolidated financial statements for the year 2019 and Independent Auditor's Report by BDO Croatia d.o.o. on the audit of the Granolio Group for the year 2019,
5. Financial statements for the year 2019 and Independent Auditor's Report by BDO Croatia d.o.o. on audit of Granolio d.d.,
6. Resolution on the proposal for the business year 2019 loss covering,
7. Resolution on remuneration of the Supervisory Board members
8. Resolution on grant of the clearance to the:
 - a. members of the Management Board
 - b. members of the Supervisory Board.
9. Resolution on the appointment of the auditor of the Company for the year 2020,

II.

Pursuant to Article 280 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 1) The Supervisory Board proposes to the General Assembly to pass the following r e s o l u t i o n :

"Mr. Davor Lončarić, OIB: 61870167336, with residence in Zagreb,

Kalabarovo vrelo 10 is hereby elected as president of the General Assembly and Mr. Davor Mitrović, OIB: 06853052631, with residence in Zagreb, Siget 18a, is hereby elected as vice-president of the General Assembly, both for the term of 4 years as of 03.07.2016, as the date of expiry of the mandate of the previously elected president of the General Assembly."

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 2019 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 2019 with a proposal for the distribution of profit and results of the review of annual financial statements, and the Report on the status of the Company and affiliated companies for the year 2019 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 2019 and the Auditor's Report by BDO Croatia d.o.o. on the audit of the Granolio Group for the year 2019 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 2019 and the Auditor's Report by BDO Croatia d.o.o. on the audit of Granolio d.d. for the year 2019 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 :

The 2019 business year loss in the amount of HRK 13.484.720,37 is to be covered from the profit of the business years to follow.

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 on remuneration of the Supervisory Board members:

I. This resolution on remuneration of the Supervisory Board members aims to establish transparent and sustainable remuneration of the Supervisory Board members, in order to motivate the attraction and keeping of the competent supervisory officials of quality, who shall, by supervising the business of the Company, contribute to the sustainable growth and wellbeing of the Company, and by that to realisation of the strategic goals of the Company and its employees, to the benefit of its shareholders and the society as a whole.

II. For the sake of the complete objectivity of the supervisory function, the remuneration of the Supervisory Board members is determined in the fixed amount and are not dependant on the results

of the Company and do not depend on the function of the member of the Supervisory Board in boards and commissions of the Supervisory Board. Supervisory Board members are entitled to the remuneration from the date of their appointment or election until the date of cessation of their function in the Supervisory Board.

III. President of the Supervisory Board is entitled to remuneration for each attended Supervisory Board meeting in the net amount of HRK countervalue of 1.000,00 EUR, calculated pursuant to the middle exchange rate of the Croatian National Bank on the date of the meeting. Deputy President of the Supervisory Board is entitled to remuneration for each attended Supervisory Board meeting in the net amount of HRK countervalue of 1.000,00 EUR, calculated pursuant to the middle exchange rate of the Croatian National Bank on the date of the meeting. Member of the Supervisory Board is entitled to remuneration for each attended Supervisory Board meeting in the net amount of HRK countervalue of 500,00 EUR, calculated pursuant to the middle exchange rate of the Croatian National Bank on the date of the meeting.

IV. For the purposes of this resolution, the term meeting includes also meetings held via telephone. Documented costs of Supervisory Board members for attending the meetings of the Supervisory Board (travel, accommodation and similar) shall be borne by the Company.

V. Members of the Supervisory Board are not entitled to variable part of remuneration which depends on the Company's results, severance pay, payment in shares of the Company nor is the delayed payment of their remuneration envisaged.

VI. Supervisory Board supervises the implementation of this resolution and its suitability for achievement of the aims from Item I hereof, and also examines the Remuneration report from Article 272.r of the Companies Act.

VII. If the Supervisory Board considers that there is a need for this resolution to be amended, it shall submit the elaborated proposal to the General Assembly, in accordance with the law. Any amendment, supplement or reconfirmation of this resolution shall enter into force on the date of the adoption of the adequate decision of the General Assembly.

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 :

a) Work of members of the Management Board regarding the management of the Company's business for the business year 2019 **is approved** (a clearance is granted).

b) Work of members of the Supervisory Board regarding the supervision of the Company's business for the business year 2019 **is approved** (a clearance is granted).

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 :

BDO Croatia d.o.o., Trg J. F. Kennedyja 6/b, 10000 Zagreb, OIB: 76394522236 is appointed auditor of the Company for the year 2020.

III.

Shareholders of the Company are hereby invited to participate in the General Assembly convened as per Decision on convening 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 if they submit the application 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 resolutions unless attended by shareholders representing 50% of shares carrying voting rights - a quorum (Article 53 of the Company's Articles of Association) while all resolutions under the proposed items of the Agenda are passed by a majority vote (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 General 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 submitted in writing, to the Company's Management Board at the Company's registered address.

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 to be submitted to the Company along with the application for participation at the General Assembly meeting prior to its commencement. 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 for 2019, the Report of the Supervisory Board, proposal of the decision on the loss covering and other written materials pertaining to individual items of the Agenda, as well as application form 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 Invitation to the General Assembly is released. At their request, shareholders will receive copies of the said documents.

Shareholders who jointly hold at least a twentieth part of the Company's share capital may request that items be added to the General Assembly meeting Agenda, with the explanation 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.

The counterproposals to the proposals made by the Management Board and/or Supervisory Board, with the name and surname of the shareholders and the explanation, as well as proposals of the shareholders on the appointment of the auditors of the Company, must be received by the Company no later than 14 days prior to 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.

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

As of the date of convening the General Assembly, 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 convened as well as application form 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 to be held on August 28, 2020 fails to meet quorum requirements or cannot be held for any other reason, a new General Assembly meeting with the same agenda will be held on August 31, 2020 at the Company's premises in Zagreb, Budmanijeva 5, at 09:00 hours. The new General Assembly will be held regardless of the number of shareholders attending and the resolutions will be passed by a majority of votes cast.

GRANOLIO d.d.
President of the Management Board

Hrvoje Filipović



Granolio

d.d., Budmanijeva 5
Zagreb