

Pursuant to Article 277, Paragraph 2, of the Companies Act (Official Gazette 146/08, 137/09), and according to the Decision made on 28 April 2011 by Professor Jure Radić, Ph.D. CE, General Manager of the INSTITUT IGH, d.d. with the head office in Zagreb, Janka Rakuše 1, MBS: 080000959, OIB: 79766124714 (hereinafter referred to as the Company), the General Manager of the Company extends this

## I N V I T A T I O N TO THE GENERAL ASSEMBLY MEETING

which will be held on 30 June 2011 at 12 o'clock at the Company's premises in Zagreb, Janka Rakuše 1.

The following Agenda has been set for this General Assembly meeting:

1. Opening of the General Assembly meeting and establishment of the number of company shareholders present or represented at this meeting.
2. Submittal of the Company's annual consolidated report including the annual report of the Company's financial standing in 2010 with basic financial reports for the year of 2010.
3. Submittal of the Supervisory Board's report on the supervision of Company's activities in 2010.
4. Decision on granting the note of release to the General Manager of the Company.
5. Decision on granting the note of release to Supervisory Board members of the Company.
6. Decision on the revocation of Supervisory Board members.
7. Decision on the change in the number of Supervisory Board members.
8. Decision on the changes of and additions to the Company's Articles of Association.
9. Decision on the allocation of profit.
10. Decision on the appointment of the Company's auditor for the business year of 2011.
11. Decision on the fees to be paid for the work of the Supervisory Board members.

### DECISION PROPOSALS:

#### Ad 4

The Management and the Supervisory Board propose that the following decision be made by the General Assembly:

"The note of release is given to the General Manager of the Company for the business year of 2010. This decision takes effect as of the day of its proclamation."

#### Ad 5

The Management and the Supervisory Board propose that the following decision be made by the General Assembly:

"The note of release is given to the Company's Supervisory Board members for the business year of 2010. This decision takes effect as of the day of its proclamation."

#### Ad 6

The Supervisory Board proposes that the following decision be made by the General Assembly:

"The following Supervisory Board members are revoked due to expiry of their term of office:

1. Aleksandar Čaklović, B.Sc. CE - Member and Vice President OIB 58957267546, Zagreb, Zeleni trg 3, and
2. Slavko Kojić, B.Econ. - Member, OIB 86979610883, Zagreb, 2. Maksimirsko naselje 11.

This decision takes effect as of the day of its proclamation."

#### Ad 7

The Supervisory Board proposes that the following decision be made by the General Assembly:

"The Company's Supervisory Board is composed of 5 (five) members. This decision takes effect as of the day of its proclamation."

#### Ad 8

The Management and the Supervisory Board propose that the following decision be made by the General Assembly:

"I The Article 5, Paragraph 1, of the Company's Articles of Association is modified by extending the scope of activities with new activities, namely:

- environmental protection activities,
- noise protection activities.

II The Article 11, Paragraph 1, of the Company's Articles of Association is modified by replacing it with the new text that reads as follows:

The Company's shares exist in form of electronic records kept at the securities account of the computer system owned by the Central Depository & Clearing Company Inc."

III The Article 11, Paragraph 4, of the Company's Articles of Association is modified by replacing it with the new text that reads as follows:

"The issuer or the Central Depository & Clearing Company Inc is required to allow each shareholder, at such shareholder's request, to view the share register information relating to shareholders and shares of such issuer. The information about shareholders and shares as specified in this Paragraph must not be disclosed or made available to other persons."

IV Other provisions of the Articles of Association of 9 March 2009 (consolidated text) shall remain unchanged.

V These amendments to the Articles of Association shall take effect as of the date of their entry in the court register.

VI The Supervisory Board is herewith authorized to define the consolidated text of the Articles of Association."

#### Ad 9

The Management and the Supervisory Board propose that the following decision be made by the General Assembly:

##### I

It is herewith established that INSTITUT IGH, d.d. realized in the year ending 31 December 2010 the after-tax profit amounting to: HRK 12,985,385.70.

##### II

The profit realized by the company INSTITUT IGH, d.d., as defined in Article 1 of this Decision, shall be used as follows:

a) retained profit ..... HRK 19,985,385.70

#### Ad 10

The Supervisory Board proposes that the following decision be made by the General Assembly:

"The company LIST d.o.o. from Split, Hrvojeva 12/II, OIB: 01008232760 is herewith appointed as the Company's auditor for the business year of 2011.

With reference to and in compliance with Article 275, Paragraph 1, Subparagraph 7, of the Companies Act, it is herewith determined that the auditor's fee will amount to HRK 250,000.00 + VAT. This fee can be increased by the amount of the auditor's lodging and travel costs.

This decision takes effect as of the day of its proclamation."

#### Ad 11

The Supervisory Board proposes that the following decision be made by the General Assembly:

I The supervisory Board members are entitled to a monthly fee as a recompense for their work in the Supervisory Board of INSTITUT IGH, d.d. This fee shall be equal to the amounts defined by the General Assembly's decision reached on 24 June 1996, provided always that the Supervisory Board members employed by INSTITUT IGH, d.d., who have concluded a manager's contract or an annex to the employment contract, are not entitled to any recompense for their work in the Supervisory Board.

II The above amounts shall be revised monthly to take into account variations in the €/HRK exchange rate, if such variations are greater than  $\pm 5\%$ . This fee shall be paid at the time regular salaries are paid by the Company.

III The net monthly salary of the President of Supervisory Board shall be equal to an average net salary paid by the Company in the month preceding the month during which the Company's General Assembly is held."

## INVITATION TO COMPANY SHAREHOLDERS:

Shareholders are invited to participate in the work of the General Assembly.

Each and every shareholder of the Company has the right to come to and participate in the work of the General Assembly, and this either personally or by representative or proxy and, in this respect, he has to submit a written application for participation in the work of General Assembly. This application must be submitted to the Company's Investor Relations Office no later than 6 (six) days before the General Assembly, at the following address: Janka Rakuše 1, 10000 Zagreb, Investor Relations Office, 2<sup>nd</sup> floor, contact persons: Mr. Zoran Emeršić or Ms. Marijana Horvat. This time limit does not include the day on which the application is received. Consequently, 23 June 2011 is the last day for the submittal of this application.

Each person having one or more Company's shares at the securities account kept at the Central Depository & Clearing Company Inc on 23 June 2011 is considered to be a Company's shareholder.

Each shareholder is also entitled to use his/her voting rights at the General Assembly meeting by electing a proxy/attorney. If a shareholder elects more than one proxy/attorney to act on his/her behalf, then the Company has the right to refuse one or several proxies/attorneys nominated in this way. The power of attorney must be prepared in written form and must contain information about the attorney, shareholder who delivers the power of attorney, total nominal value of shares, number of votes the shareholder has, authorization to act on behalf of the shareholder at the General Assembly, date on which the power of attorney is issued, and the shareholder's signature. This power of attorney can also be submitted to the Company in electronic form, in PDF format, via e-mail ([IR@igh.hr](mailto:IR@igh.hr)). The above mentioned time limit does not restrict in any way the shareholder or his attorney/proxy with respect to the time of submittal of the power of attorney. In fact, the latter may be submitted even immediately before the start of the General Assembly meeting.

The following forms will be available at the Company's web site as of the day the invitation to the general Assembly Meeting is made public: invitation to the General Assembly meeting, application for participation at the General Assembly meeting, recommended power of attorney form, recommended form for revocation of the existing power of attorney, the Management's consolidated financial report for 2010, the Supervisory Board's report on the supervisory activities conducted in 2010, and all other information as required according to Article 280 of the Companies Act. Shareholders may consult all available materials on every working day from 8:30 to 15:30 hours at the Investor Relations Office, in the period starting on the day the invitation to the General Assembly meeting is published and ending one day before the date on which the General Assembly meeting is held.

Each shareholder shall bear the costs incurred by him/her because of participation in the General Assembly meeting. The Company shall bear the costs relating to the organization and holding of the General Assembly meeting.

Shareholders who together hold shares amounting to twenty percent of the Company's equity capital may request that an additional issue/topic is included in the agenda of the General Assembly meeting, and that such information is made public. However, a justification of the issue/topic and the relevant decision proposal shall be given with every new issue to be included in the agenda. The request for adding a new issue/topic to the agenda must be received by the Company no less than 30 days before the date on which

the General Assembly meeting is to be held. This time period does not include the day on which the request has been received by the Company.

Shareholders wishing to give counterproposals to the decision proposals given by the Management and Supervisory Board must do so no less than 14 (fourteen) days before the General Assembly meeting and this by submitting their justified counterproposals to the Company's address: INSTITUT IGH, d.d., Investor Relations Office, Mr. Zoran Emeršić, Janka Rakuše 1, 10000 Zagreb. The day on which the proposal has been received by the Company is not included in this time period. The same applies, in an appropriate way, to the proposals made by shareholders regarding nomination of the Company's auditor, although it should be noted that shareholder proposals on the nomination of the Company's auditor do not need to be justified.

INSTITUT IGH, d.d.  
Prof. Jure Radić, Ph.D. CE  
General Manager