

**PUBLIC INVITATION FOR SUBSCRIPTION OF 263,300 OF NEW ORDINARY SHARES OF INSTITUT IGH d.d.**

Round 2

The General Assembly meeting of Institut IGH d.d., company with registered seat in Zagreb, Janka Rakuše 1, registered with the Commercial Court – Zagreb under No. MBS 080000959, OIB 79766124714 (hereinafter referred to as: Issuer or Company), was held on 26 April 2012. During that meeting the decision was made to increase the share capital of the company and to issue ordinary registered shares through public offering, by cash deposits, with partial exclusion of pre-emption rights with regard to subscription of new shares (hereinafter: Decision).

In accordance with the Decision, the share capital of the Issuer is increased through public offering of shares, by cash payment. By a separate *Decision on partial exclusion of pre-emption rights with regard to subscription of new shares*, the pre-emption rights of the Issuer's shareholders, registered with the Central Depository and Clearing Company JSC (hereinafter referred to as: SKDD) on the day the invitation to General Assembly meeting is published in Official Gazette (hereinafter referred to as: Existing Shareholders), are partly excluded with respect to subscription of new shares, and this by requiring payment for subscribed shares in the amount of no less than € 50,000.00 par Investor, to be paid in HRK equivalent of this amount, based on mean exchange rate of HNB (Croatian National Bank) prevailing on the date of payment for such subscription of shares.

The share capital of the Issuer is increased from HRK 63,432,000.00, divided into 158,580 ordinary registered shares, each with nominal value of HRK 400.00, for the amount of no more than HRK 106,000,000.00, to the amount of no more than HRK 169,432,000.00, through cash payment, via issuance of 265,000 new ordinary registered shares, each with the nominal value of HRK 400.00 (hereinafter referred to as: New Shares). It is specified in the Decision that New Shares will be issued at the price of HRK 760.00 per share.

The SKDD will issue the international securities identification number (ISIN code) and the securities code for New Shares.

The existing shares and New Shares (hereinafter jointly referred to as: the Shares) are identical by their properties, and there will be no difference between them in the rights to be gained through ownership of these shares.

The Investors will become owners of New Shares after registration with the SKDD depository. This registration will be made in accordance with SKDD rules as soon as the increase in the share capital is registered with the court register. The New Shares will be listed on the regulated market, in accordance with prevailing regulations. It will be possible to trade with New Shares on regulated market after the shares are listed on the regulated market.

According to Article 351, Paragraph 1, of the Capital Market Act, the company shall operate the issuance of shares via public offering, and will make use of exception from the obligation to publish prospectus, and shall therefore not publish prospectus for the said issuance.

It is specified in the Decision that the increase in the Issuer's share capital will be operated in two rounds as follows:

- in the first round, New Shares can be subscribed to by the Existing Shareholders that were listed on 14 March 2012 in the SKDD depository as Company shareholders, either directly or via a trustee bank, under conditions and in the way as specified below.

- In the second round, New Shares that have not been subscribed to by the Existing Shareholders in the first round will be offered, after announcement of the first-round subscription results, to all interested parties through public invitation for the second round.

If the subscription of newly issued shares does not prove successful, that is if less than 35 % (thirty-five percent) of the total number of shares issued, i.e. less than 92,750 shares, are subscribed to and paid for, the company will return the sums paid by the Investors within seven days following the last day specified for subscription and payment of shares.

If the increase in share capital is not registered with the court register within three months following acceptance of this Decision, the Subscription Form will no longer be binding on the subscriber, and the payments made by Investors will be reimbursed to them without delay.

The Company has prepared the Information Memo which has been posted on the Company's web site.

By this public invitation for subscription of New Shares (hereinafter referred to as: Public Invitation) in the second round, the Issuer invites all interested investors (hereinafter referred to as: Investors) to subscribe to and pay for the remaining New Shares, i.e. the total of 263,300 New Shares that have not been subscribed to and paid for in the first round.

In the second round, the subscription to New Shares will last 5 days as of the day on which this public invitation has been issued, i.e. from 16 May 2012 to 21 May 2012 (by 4 p.m.). The Investors will be able to subscribe to New Shares via a written statement - Subscription Form (hereinafter: Subscription Form) at the Issuer's premises in Zagreb, Janka Rakuše 1, on each working day from 9 a.m. to 3 p.m. The subscription Form will be available to all potential Investors as of the day of publication of this public invitation at the Company's premises. All additional information regarding issuance of New Shares can be obtained at the Issuer's premises - Investors Office – from Mr. Zoran Emeršić or Ms. Marijana Horvat. Investors may also request information by sending an e-mail to [IR@igh.hr](mailto:IR@igh.hr).

When subscribing to New Shares, the Investors are required to present the following documents to the Company:

- Identification document of the Investor and/or person authorised to represent the Investor (identity card or passport),
- Document showing information about the Investor's bank account number (debit card, contract with bank, or signature form),
- Foreign legal persons must provide excerpts from the court register or from a similar register of legal persons. This document must be no more than 30 days old, and translated into Croatian language by a certified court interpreter.

Persons subscribing to New Shares on behalf of and for the account of Investors through a power of attorney are required to submit to the Company, on the occasion of subscription to New Shares, the power of attorney certified by the public notary, and an identification document of the proxy (identity card or passport). The recommended power of attorney form will be available at the Issuer's web site ([www.igh.hr](http://www.igh.hr)).

Detailed information relating to payment for New Shares will be given to Investors at the Issuer's Premises (Investors Office) on the occasion of subscription to shares.

Investors are required to pay the full amount charged for subscribed shares to a separate account the Issuer has opened for subscription of New Shares with Zagrebačka banka d.d., and this no later than on the last day of subscription and payment (21 May 2012, by 4 p.m.). In this respect, it should be noted that valid payments are only those payments that have been registered with the Issuer's account by 4 p.m. on the final day of subscription. In case an Investor fails to pay in full the amount charged for the subscription of New Shares, he will not gain right to subscription of any share, and his Subscription Form will be considered invalid. Investors are required to directly ask institutions at which they are making the payment about time needed for funds to be registered with the Issuer's account by 4 p.m. on the final day of subscription (21 May 2012). Investors are not entitled to any interest for the period during which their funds were deposited on the Company's account.

As each Investor has to pay, for this subscription of shares, an amount of no less than € 50,000.00 in the HRK equivalent based on the mean exchange rate of HNB (Croatian National Bank) prevailing on the date of payment of subscribed shares, investors are advised to inform themselves about current exchange rates and minimum payment options.

The Issuer's advisor for the conduct of public offering of New Shares without repurchase obligation is the company Auctor d.o.o. with the registered seat in Zagreb, Dežmanova 5, while the Issuer's legal advisor is the law firm Uskoković i partneri j.t.d. with the registered seat in Varaždin, Vatroslava Lisinskog 6.

This public invitation has been published in one daily paper published in the Republic of Croatia, and posted at the Issuer's web pages. The invitation text was also sent to the Zagreb Stock Exchange ([www.zse.hr](http://www.zse.hr)) and to the Official Register of Mandatory Information as kept at the Croatian Agency for Supervision of Financial Services.

Institut IGH d.d.