

# Institut IGH d.d.

Janka Rakuše 1, 10000 Zagreb, CROATIA  
Tel: +385 1 6125 125, Fax: +385 1 6125 401,  
igh@igh.hr, www.igh.hr



IGH-R-A Regular Share, ISIN HRIGHORA0006  
Offered at the official market of the Zagreb Stock Exchange  
Notice placed in accordance with Article 459 of the Capital Market Act

Zagreb, 13 April 2012

**HANFA**  
Miramarska 24b  
10000 Zagreb

**ZAGREBAČKA BURZA**  
Ivana Lučića 2a  
10000 Zagreb  
Odjel uvrštenja

SPLIT 21 000  
Matice hrvatske 15  
Tel:021/558-666  
Fax:021/465-335

RIJEKA 51 000  
Slavka Tomašića 5  
Tel:051/206-100  
Fax:051/206-106

OSIJEK 31 000  
Drinska 18  
Tel:031/253-101  
Fax:031/253-104

VARAŽDIN 42 000  
Hallerova aleja 7  
Tel:042/210-970,  
042/210-722  
Fax:042/211-285

DUBROVNIK 20 000  
Vukovarska 8  
Tel:020/412-489,  
020/411-628  
Fax:020/412-489

PULA 52 100  
Rizzijeva 40  
Tel:052/508-220  
Fax:052/508-221

KARLOVAC 47 000  
Primorska 16  
Tel:047/416-987,  
047/416-988  
Fax:047/416-989

SISAK 44 000  
Ferde Hefelea b.b.  
Tel:044/571-255  
Fax:044/571-256

ZADAR 23 000  
Dobriše Cesarića 1  
Tel:023/220-910,  
023/323-299  
Fax:023/323-225

By invitation and pursuant to provisions of the Capital Market Act (Official Gazette Nos.: 88/08, 146/08, and 74/09), and according to the Zagreb Stock Exchange rules, the company INSTITUT IGH, d.d. with the head office in Zagreb, Janka Rakuše 1, Company registration No. MBS 080000959, Personal identification No. OIB 79766124714 (hereinafter referred to as the Issuer) announces:

## SHAREHOLDERS' COUNTERPROPOSALS

On 11 April 2012, INSTITUT IGH d.d. received shareholders' counterproposals as related to previously announced decision proposals for the General Assembly meeting to be held on 26 April 2012. The full text of these counterproposals is enclosed herewith.

INSTITUT IGH, d.d.

Investor Relations Office

Djelatnost: 73162  
MB: 3750272  
Poslovna banka:  
Zagrebačka banka d.d.  
Zagreb, Perarmirska 2

Biro-račun:  
2360000-1101243767  
devizni račun  
kod Zagrebačke banke d.d.  
Zagreb: 2100085026  
OIB: 79766124714

Mjerodavni sud:  
Trgovački sud u Zagrebu,  
registerski urednik  
s matičnim brojem (MBS)  
080000959

Temeljni kapital:  
63.432.000,00 kn  
uplaćen u cijelosti  
Broj izdanih dionica:  
158.580, nominalna  
vrijednost dionice 400 kn

Uprava:  
prof. dr. sc. Jure Radić, direktor,  
zastupa društvo pojedinačno i  
samostalno  
Nadzorni odbor:  
dr. sc. Franjo Gregurić, predsjednik



PETAR ĐUKAN  
Zagreb, Božidara Magovca 121  
Personal Identification No. 45397072037

**INSTITUT IGH d.d.**  
**Investor Relations Office**  
**Attn: Zoran Emeršić**  
**Janka Rakuše 1**  
**10000 Zagreb**

**Pursuant to Article 282 of the Companies Act (Official Gazette No. 152/11, consolidated text), and the decision proposal made by the Management and the Supervisory Board of the INSTITUT IGH d.d. Zagreb, Janka Rakuše 1, announced in the Invitation to the General Assembly Meeting of the Company which is to take place on 26 April 2012 at 9 a.m. at the Company's premises at Janka Rakuše 1, in Zagreb, I hereby submit the counterproposal to the item 4 of the General Assembly Meeting Agenda (Adoption of the decision on an increase in share capital, and on issuance of ordinary shares through public offering, via monetary deposits with partial exclusion of pre-emption rights with regard to subscription of new shares, based on payment, per each shareholder, of the subscribed shares amount which shall not be 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, with the decision whereby the acquirer is allowed to acquire voting shares in the company without the obligation to make public the takeover bid, if the said acquisition of voting shares would create the obligation to make public a takeover bid, according to Article 14, Paragraph 1, Subparagraph 3, of the Act on the Takeover of Joint Stock Companies), and propose the following General Assembly Meeting decision Ad 4):**

Ad 4)

#### **DECISION**

**on an increase in share capital, and on issuance of ordinary shares through public offering, via monetary deposits with partial exclusion of pre-emption rights with regard to subscription of new shares, based on payment, per each shareholder, of the subscribed shares amount which shall not be 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, with the decision whereby the acquirer is allowed to acquire voting shares in the company without the obligation to make public the takeover bid, if the said acquisition of voting shares would create the obligation to make public a takeover bid, according to Article 14, Paragraph 1, Subparagraph 3, of the Act on the Takeover of Joint Stock Companies**

#### Article 1

The share capital of the Company amounts to HRK 63,432,000.00 and is divided into 158,580 ordinary registered shares, each with the nominal value of HRK 400.00. The share capital of the Company has been paid up in full in cash.

## Article 2

According to this Decision, the share capital of the Company is increased from HRK 63,432,000.00, for the amount of no more than HRK 120,000,000.00, to the amount of no more than HRK 183,432,000.00.

## Article 3

The increase of the share capital of the Company, as mentioned in Article 2 of this decision, will be operated through cash payment, via issuance of no more than 300,000 new ordinary registered shares, each with the nominal value of HRK 400.00.

## Article 4

Based on this decision on an increase in the share capital of the Company, the General Assembly of the Company (target company) allows the acquirers to acquire registered shares in the target company without the obligation to make public the takeover bid, if the said acquisition of voting shares would create the obligation for the acquirer to make public a takeover bid, all in accordance with provisions contained in Article 14, Paragraph 1, Subparagraph 3, of the Act on the Takeover of Joint Stock Companies.

## Article 5

New shares will be issued in an intangible form, i.e. in form of electronic records made in the computer system operated at the Central Depository and Clearing Company (hereinafter referred to as: the SKDD), and will be marked by mark assigned by the SKDD.

Each share gives right to one vote at the Company's General Assembly meeting. The shares are registered on the name, and give shareholders all rights provided by law and the Company's Articles of Association, from the day on which the increase in share capital is registered with the court register.

## Article 6

The price of the newly issued shares has been set to HRK 760.00 per share.

## Article 7

The increase in the share capital of the Company, as based on the Decision, is operated through public offering of shares via cash payment, with partial exclusion of pre-emption rights with regard to existing shareholders, and this by requiring payment for subscribed shares in the amount of no less than € 50,000.00 par shareholder, 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.

Each existing shareholder shall be guaranteed the right to participate in this increase in the share capital provided that such shareholder subscribes for and makes payment for subscribed shares and, at that, the amount to be paid for subscription of shares by each shareholder shall be no less than € 50,000.00, 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.

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, in accordance with provisions contained in this Decision on increase in share capital and issuance of ordinary shares through public offering, via monetary deposits, and with partial exclusion of pre-emption rights with regard to subscription of new shares.

#### Article 8

The shares will be subscribed via a written statement (Subscription Form). The subscription of shares and related payment will be made as defined in the public invitation for subscription of shares. The Company Management is authorized to decide at its discretion when the public invitation for subscription of shares will be announced. The Company will publish the public invitation for subscription of shares at the Company's web pages, and in at least one daily paper published in the Republic of Croatia.

#### Article 9

The subscription and payment of new ordinary shares will be made in two rounds:

In the first round, the right to subscribe to shares is reserved to existing Company shareholders who have shares on their intangible securities accounts held with the SKDD on the day on which this invitation to the General Assembly meeting is published in the Croatian Official Gazette. In the first round, the shares will be subscribed to and paid for within 15 (fifteen) days from the day on which the public invitation for subscription of shares in the first round is published, and the information about the place and time of subscription of shares via Subscription Form, and the deadline for payment of subscribed shares and related amounts, will be specified in full detail in the public invitation for subscription of shares. The existing Company shareholders will be enabled to subscribe to and pay for shares up to one hundred percent of the total number of shares offered at this public offering.

In case the Company shares are held by a trustee bank on behalf of a shareholder, such a shareholder is required to submit, together with the Subscription Form, a proof that he is really a Company shareholder, and that he is entitled to subscribe to shares in accordance with this Decision. This proof is submitted in form of an original certificate/statement issued by the trustee bank, in which the bank states that it is registered, on the day of publication of the invitation to the General Assembly meeting in the Croatian Official Gazette, as trustee bank for shares held by the said shareholder, and that it has the right to subscribe to new Company shares. Without this proof, such shareholder will not be allowed to participate in the subscription of new shares.

In the second round, the remaining shares that have not been subscribed to by the existing Company shareholders in the first round, will be offered to every legal or physical person capable of subscribing to and paying for the shares within 5 (five) days from the day on which the public invitation for subscription of shares in the second round has been announced. Detailed information about the place and time of subscription of shares via Subscription Form, and the deadline for payment of subscribed shares, will be given in the public invitation for subscription of shares. The Company Management is authorized to decide at its discretion when the public invitation for subscription of shares in the second round will be published. The Company Management will also publish the public invitation for subscription of shares in the second round at the Company's web pages, and in at least one daily paper published in the Republic of Croatia.

The decision on the allocation of shares that have not been subscribed to in the first round, in case the number of shares subscribed to and paid for in the second round exceeds the number of shares specified in this Decision, will be made by the Management, with the approval of the Company's Supervisory Board.

#### Article 10

After the full payment is made for each share, and following registration with the court register, an appropriate number of ordinary registered shares, bearing the mark allocated by the SKDD, will be issued. Each share will be issued to the nominal value of HRK 400.00, in form of an intangible share.

The investors will become holders of the newly issued Company 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 has been registered with the court register.

The newly issued shares will be listed on the regulated market of the Zagreb Stock Exchange (Zagrebačka burza d.d.) in accordance with prevailing regulations.

The newly issued Company shares, issued in accordance with this Decision, can be traded on regulated market after the shares have been listed on the regulated market.

#### Article 11

The success of subscription and payment of shares, and the exact amount by which the share capital has been increased, will be determined, based on the subscription and payment situation on the last day of subscription and payment of shares, no later than 3 (three) days following expiry of the subscription time. The issuance of shares shall be considered successful if 35% (thirty-five percent) of the total number of shares issued, i.e. 105,000 shares, are subscribed to and paid for within the specified time period. The total amount of successful issuance of shares determined in this way will also represent the exact amount by which the share capital of the Company has been increased through issuance of new shares. The Company Management will determine, with the approval of the Supervisory Board, the success of issuance of shares, the exact amount of increase in share capital, and the exact number of new ordinary shares.

If the subscription of newly issued shares does not prove successful, the company will return the sums paid by the investors within seven days following the last day specified for subscription and payment of shares, as provided for in Article 9 of this Decision.

#### Article 12

If the increase in share capital is not registered with the court register within 3 months following acceptance of this Decision, the subscription statement (Subscription Form) will no longer be binding for the subscriber, and the payment made by investors will be reimbursed to them without delay.

#### Article 13

Provisions contained in prevailing regulations and in the Company's Articles of Association will adequately be applied with respect to all issues that have not been regulated by this Decision.

#### Article 14

This decision comes into force on the day of its adoption.

The Company Management is authorized to take all legal actions in order to register this Decision and the corresponding increase in share capital with the court register of the Commercial Court in Zagreb.

#### **Explanation**

Proposer considers that the Company requires even more than the proposed capital for the purpose of organic growth in the Republic of Croatia and the region, as well as to reduce its liabilities.

In Zagreb, 11 April 2012

signature  
Petar Đukan

**Stanovi Jadran d.o.o.**  
**Tax No. MB: 2182190; Personal Identification No. OIB: 88680117715**  
Limited Liability Company  
Savska cesta 141, 10000 Zagreb  
tel. (01) 61 91 647; fax (01) 61 91 651  
www.jadraninvest.hr

Zagreb, 11 April 2012

**INSTITUT IGH d.d.**  
**Investor Relations Office**  
**Attn: Zoran Emeršić**  
**Janka Rakuše 1**  
**10000 Zagreb**

**Subject-matter: Counterproposal to the decision proposal made by the Management and the Supervisory Board of the INSTITUT IGH d.d. and announced in the proposed agenda of the General Assembly Meeting of the INSTITUT IGH d.d. (hereinafter referred to as: the Company), convened for 26 April 2012 at 9 a.m. at the Company's premises at Janka Rakuše 1, in Zagreb.**

Stanovi Jadran d.o.o., Zagreb, Savska cesta 141, company registration number MBS 060227551, personal identification number OIB 88680117715, as the Company shareholder, and referring to the Invitation of Shareholders made by the Company, as well as Article 282, Paragraph 1, of the Companies Act, submits the following COUNTERPROPOSAL.

### **COUNTERPROPOSAL**

to the item 3 of the General Assembly Meeting Agenda proposing the following: **“Decision on partial exclusion of pre-emption rights with regard to subscription of new shares”**

whereby we propose to adopt the following

### **DECISION**

**on publication of Prospectus, announcing public offering for subscription and payment of new ordinary shares of the Company, by means of increase in the Company share capital, and by which existing Company Shareholders retain pre-emption rights to subscription and payment**

The Management and the Supervisory Board of the Company are obliged to publish a Prospectus, announcing public offering for subscription and payment of new ordinary shares of the Company, by means of increase in the Company share capital, in accordance with corresponding provisions of the relevant statutory regulations, allowing the existing Company shareholders to retain pre-emption rights to subscription and payment of new ordinary Company shares.

After the publication of the Prospectus pursuant to the previous Paragraph of this Decision, the Management and the Supervisory Board of the Company are obliged to inform the General Assembly of the accomplished, and propose to it the Decision on the increase in share capital, stating a clear plan, purpose and intended allocation of raised liquid assets.

### EXPLANATION

By partial exclusion of pre-emption rights to subscription and payment of new ordinary shares with regard to existing shareholders, the book-value per share is reduced for the existing shareholders, preventing them from participation in the increase of the Company share capital, due to the partial exclusion of pre-emption rights. The decision proposal made by the Management and the Supervisory Board of the Company is not in accordance with Article 366 of the Companies Act. The proposed decision made by the Management and the Supervisory Board is voidable as it excludes the rights of all the existing shareholders to acquire new shares in the increased Company share capital. According to the decision proposal stated in item 4 of the Agenda, the proposed price of HRK 760.00 per share, at which new shares with the nominal value of HRK 400.00 will be issued, is inadequately low because, on 12 March 2012, the date on which the Management and the Supervisory Board had made the decision proposal, the average market price per share on the regulated market - the Zagreb Stock Exchange (Zagrebačka burza d.d.) was HRK 931.32 per share, whereas one trading day prior to the above mentioned, i.e. on 9 March 2012, it amounted to HRK 989.19 per share. Furthermore, according to the unrevised and unconsolidated Company Financial Statements, with reference to the reporting period ending on 31 December 2011, and published on 31 January 2012 on the Zagreb Stock Exchange web pages, the book-value of share was HRK 2,780.39 per share. Shareholders should decide on the Management and the Supervisory Board decision proposal 4 days prior to the statutory term for submission and publication of revised and consolidated Company Financial Statements for 2011 to the authorized institutions and individuals. Regarding the fact that, in the last year, the Company had transactions with related parties and former members of the Supervisory Board, we consider that the decision proposed to the General Assembly by the Management and the Supervisory Board under aforementioned Agenda item, would be made at an inappropriate moment. Moreover, we do not have information that all mentioned transactions have been paid to the Company.

Zagreb, 11 April 2012

Denis Štambuk  
Director  
Stanovi Jadran d.o.o.

Stanovi Jadran d.o.o.

Zagreb Stanovi Jadran d.o.o., Savska cesta 141, 10000 Zagreb-Croatia, entered in the Commercial Court register in Zagreb, Company registration number MBS: 060227551, transactional account number 2402006-1100537980 at Erste bank d.d., share capital is 8,862,100.00 out of which 1,120,000.00 is in cash and 7,742,100.00 in real-estates; Directors Mirna Doroteja Zimić and Denis Štambuk, representing the Company individually and separately.



**Stanovi Jadran d.o.o.**  
**Tax No. MB: 2182190; Personal Identification No. OIB: 88680117715**  
Limited Liability Company  
Savska cesta 141, 10000 Zagreb  
tel. (01) 61 91 647; fax (01) 61 91 651  
www.jadraninvest.hr

Zagreb, 11 April 2012

**INSTITUT IGH d.d.**  
**Investor Relations Office**  
**Attn: Zoran Emeršić**  
**Janka Rakuše 1**  
**10000 Zagreb**

**Subject-matter: Counterproposal to the decision proposal made by the Management and the Supervisory Board of the INSTITUT IGH d.d. and announced in the proposed agenda of the General Assembly Meeting of the INSTITUT IGH d.d. (hereinafter referred to as: the Company), convened for 26 April 2012 at 9 a.m. at the Company's premises at Janka Rakuše 1, in Zagreb.**

Stanovi Jadran d.o.o., Zagreb, Savska cesta 141, company registration number MBS 060227551, personal identification number OIB 88680117715, as the Company shareholder, and referring to the Invitation of Shareholders made by the Company, as well as Article 282, Paragraph 1, of the Companies Act, submits the following COUNTERPROPOSAL.

### **COUNTERPROPOSAL**

to the item 4 of the General Assembly Meeting Agenda proposing the following: **“Decision on increase in share capital and issuance of ordinary shares through public offering, via monetary deposits, and with partial exclusion of pre-emption rights with regard to subscription of new shares”**

whereby we propose to adopt the following

### **DECISION** **on increase in share capital by means of capitalization of Company profits**

#### **I**

The share capital of INSTITUT IGH d.d., Zagreb, Janka Rakuše 1 – the Company amounts to HRK 63,432,000.00 and is divided into 158,580 ordinary registered shares, each with the nominal value of HRK 400.00, entered in the computer system operated at the Central Depository and Clearing Company and marked by IGH-R-A as registered securities in intangible form. The share capital of the Company has been paid up in full in cash.

## II

The Company share capital is increased by converting retained profit in the amount of HRK 190,296,000.00 into the Company share capital.

The increase in share capital by means of capitalization of Company profits is based on unrevised Annual Financial Statements of the Company for the period ending on 31 December 2011.

The Company share capital is increased from HRK 63,432,000,00, for the amount of HRK 190,296,000,00, to the amount of HRK 253,728,000,00 by issuing the total of 475,740 new ordinary shares, each with the nominal value of HRK 400.00.

## III

The amount of HRK 96,706,263.00 which has not been used to increase the share capital remains allocated into capital reserves, profit reserves and retained profit, all in accordance with legal provisions.

## IV

New shares belong to the Company shareholders in proportion with their share in the current share capital, allowing each shareholder, and based on this decision on increase in share capital by means of capitalization of Company profits, to acquire three new shares for each share in his possession.

With regard to this decision, a shareholder of the Company is each individual who has shares on intangible securities account held with the Central Depository and Clearing Company (SKDD) on the day of adoption of this decision.

## V

Each new share gives its holder the same amount of rights with regard to the Company as the existing ordinary shares.

## VI

New shares will be issued in an intangible form, and while implementing this decision, they will be subscribed to Shareholders' accounts opened at the Central Depository and Clearing Company (SKDD), in accordance with the relevant SKDD regulations.

New shares will be marked at SKDD accounts by a mark IGH-R-A, equally as the existing ordinary shares.

## VII

Following the increase in share capital based on this decision, the Company share capital shall be HRK 253,728,000.00 and shall be divided into 475,740 ordinary shares, each with the nominal value of HRK 400.00, entered in the computer system operated at the Central Depository and Clearing Company and marked by IGH-R-A as registered securities in intangible form.

## VIII

The Company Management is obliged to make changes of and additions to the relevant Articles of Association, to adjust them with this decision on the increase in share capital. The Supervisory Board is authorized to make the consolidated text of the Articles of Association.

## IX

This decision comes into force on the day of its adoption.

## EXPLANATION

The decision proposal made by the Management and the Supervisory Board of the Company reduces the book-value of share for the existing shareholders, preventing them from participation in the increase in the Company share capital, due to the partial exclusion of pre-emption rights to subscription of new ordinary Company shares.

The decision counterproposal strengthens the Company and Shareholders position as the share capital is increased by means of capitalization of profits, allowing the use of retained profits, indicated in the unrevised, unconsolidated Company Financial Statements for the period ending on 31 December 2011 and published on 31 January 2012 on the Zagreb Stock Exchange web pages.

Zagreb, 11 April 2012

Denis Štambuk

Director

Stanovi Jadran d.o.o.

**Stanovi Jadran d.o.o.**  
**Tax No. MB: 2182190; Personal Identification No. OIB: 88680117715**  
Limited Liability Company  
Savska cesta 141, 10000 Zagreb  
tel. (01) 61 91 647; fax (01) 61 91 651  
www.jadraninvest.hr

Zagreb, 11 April 2012

**INSTITUT IGH d.d.**  
**Investor Relations Office**  
**Attn: Zoran Emeršić**  
**Janka Rakuše 1**  
**10000 Zagreb**

**Subject-matter: Counterproposal to the decision proposal made by the Management and the Supervisory Board of the INSTITUT IGH d.d. and announced in the proposed agenda of the General Assembly Meeting of the INSTITUT IGH d.d. (hereinafter referred to as: the Company), convened for 26 April 2012 at 9 a.m. at the Company's premises at Janka Rakuše 1, in Zagreb.**

Stanovi Jadran d.o.o., Zagreb, Savska cesta 141, company registration number MBS 060227551, personal identification number OIB 88680117715, as the Company shareholder, and referring to the Invitation of Shareholders made by the Company, as well as Article 282, Paragraph 1, of the Companies Act, submits the following COUNTERPROPOSAL.

### **COUNTERPROPOSAL**

to the item 5 of the General Assembly Meeting Agenda proposing the following: **“Decision on changes of and additions to the Articles of Association”**

whereby we propose to adopt the following

### **DECISION on changes of and additions to the Articles of Association**

Articles 8 and 9 of the Articles of Association are changed in such a way that the share capital amount from Article 8, and the number of ordinary registered shares from Article 9, are harmonized with changes specified in the Counterproposal to the item 4 of the General Assembly Meeting Agenda, proposing the adoption of the Decision on increase in share capital by means of capitalization of Company profits.

The Paragraph 2 contained in Article 9 of the Articles of Association is deleted.

The paragraph 3 contained in Article 9 of the Articles of Association now becomes the Paragraph 2 of Article 9 of the Articles of Association.

## II

The following new Subtitle and Article 8 a) is added in section VII SHARE CAPITAL, after Article 8:

### Article 8 a)

#### Conditional increase in share capital

1. The General Assembly may decide to increase the share capital of the Company but only to the extent needed to acquire right to gain shares from Paragraph 2 of this Article (conditional increase of capital).
2. The decision on conditional increase of the Company share capital may be made only to:
  - a) realize rights of the Company creditors to change exchangeable bonds for shares and gain pre-emption right for subscription of new shares of the Company
  - b) make preparations for acquisition of several companies
  - c) enable workers and Company Management members, or members of affiliate companies, to acquire right to shares based on the General Assembly decision
  - d) allocate shares of the parent company to shareholders or subsidiary company members according to Article 492, Paragraphs 2 and 3 of the Companies Act, if contract has been concluded on administration of the Company's operations, or on transfer of profit or shares of the parent company to shareholders or members of affiliated companies according to Article 504, Paragraph 2, of the Companies Act.
3. Nominal amount of conditional capital must not exceed one half or one tenth (in case described in Paragraph 2, Subparagraph 3, of this Article) of share capital of the Company at the time the decision on conditional increase of the Company capital is made.
4. Provisions of the Companies Act on pre-emption rights to subscribe to new shares shall also be applied as appropriate to exchangeable bonds.
5. The decision on conditional increase of share capital of the Company through investment of goods or rights must contain information about the object of investment, about person that acquires such object (goods or rights) and, in case of shares without nominal amount, the number of shares acquired through such investment.
6. The decision can be made only if the investment of goods and rights has been specifically and properly made public, in accordance with the Companies Act and the Company's Articles of Association on the announcement of General Assembly meeting agenda and decision proposals.
7. The Management is allowed to issue shares only to attain objectives for which the decision on conditional increase of capital was made.

8. In order to adopt a valid decision on the conditional increase in share capital, it is required that the shareholders representing 90 % (ninety percent) of the share capital be present at the General Assembly, and vote for it.

### III

Other provisions of the Articles of Association shall remain unchanged.

### IV

These changes of and additions to the Articles of Association shall come into force and shall be applied as of the day of registration with the court register.

### V

The Company Management is obliged to make changes of and additions to the relevant provisions of the Articles of Association, to adjust them with this decision. The Supervisory Board is authorized to make the consolidated text of the Articles of Association.

## EXPLANATION

The decision proposal made by the Management and the Supervisory Board of the Company on the conditional increase in share capital is a very dangerous decision and action for the existing shareholders with regard to the Indents b and d, Subparagraph 2, Paragraph 1, because some of the subsidiary companies (such as Radeljević d.o.o.) have bigger share capital than the parent Company. By merger and/or transfer of shares of a subsidiary company, the parent Company might be taken over by the subsidiary company financed by parent Company debt.

Therefore, we consider that our counterproposal amending Article 8 a, Paragraph 1 by Indent 8, would additionally protect the existing shareholders from the potentially dangerous scenario mentioned above.

Zagreb, 11 April 2012  
Denis Štambuk  
Director  
Stanovi Jadran d.o.o.