

Institut IGH d.d.

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IGH-R-A Regular Share, ISIN HRIGH0RA0006
Offered at the official market of the Zagreb Stock Exchange
Notice compliant with provisions of the Capital Market Act, Art. 428 & 413
Zagreb, 25 May 2012.

HANFA

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10000 Zagreb

ZAGREBAČKA BURZA

Ivana Lučića 2a
10000 Zagreb
Odjel uvrštenja

Pursuant to relevant provisions of the Capital Market Act (Official Gazette, Issues 88/08, 146/08, and 74/09), and appropriate Zagreb Stock Exchange rules, we wish to advise you as follows:

The following decisions were reached at the General Assembly Meeting of the company INSTITUT IGH, d.d., with the registered seat in Zagreb, Janka Rakuše 1, OIB No. 79766124714, which was held on 25 May 2012 at 9:00 a.m. (start time):

Ad 3 Decision on the issuance of convertible bonds

Article 1

According to this Decision, the Company Management is given authority to issue by 6 June 2012, subject to prior approval of the Company's Supervisory Board, the bonds that can be converted into shares, up to the total amount of HRK 195,000,000.00 (one hundred and ninety-five million of Croatian kunas), in the €equivalent according to the mean exchange rate of HNB (Croatian National Bank) prevailing on the date of issuance of convertible bonds.

Article 2

Convertible bonds will be issued in an intangible form. Provided that convertible bonds have been fully paid in, they will entitle their holder-creditor to a fixed interest, and to the right to convert these bonds into regular shares of the Company.

Article 3

The bonds will be issued as registered securities in intangible form and to the nominal amount of €1, while the settlement currency is HRK based on mean exchange rate of HNB (Croatian National Bank) prevailing on the date of payment.

Article 4

Convertible bonds will be issued at the price to be defined by the Company Management on the day falling one day before the day of issuance of shares, and the maturity date will be 5 years after the day of issuance.

Securities will be issued as annuity bonds, which means that they involve serial depreciation, through semi-annual annuities.

Convertible bonds will entitle their holders-creditors to the payment of principal and fixed interest on principal, to be determined by the Company Management, subject to prior approval by the Supervisory Board.

The interest will be paid semi-annually throughout the bond duration period.

The annuities will be paid semi-annually, at the end of each period, starting from the third period. The issuer shall pay 70% of the principal over the first seven annuity payment periods, and this through equal annuity payments, while the last annuity payment will amount to 30% (pool factor 0.30) of the principal, and the bond holders will have the right to convert bonds into ordinary shares of the Company, which will be issued based on decision on the conditional increase of share capital.

The bond to share conversion rate will be defined by the Company Management at the time of issuance of shares. The conversion rate will be defined by using the share price of HRK 760.00 (for each share having nominal value of HRK 400.00) and the bond price at the day of conversion, which will be defined by the Company Management. The day of conversion will be 5 May 2017.

Article 5

Convertible bonds can be subscribed starting from the day on which the Company Management announces that the bonds have been issued. The bond subscription time will be defined by the Company Management, with prior approval by the Supervisory Board.

Subject to prior approval by the Supervisory Board, the Company Management has the right to define all conditions relating to issuance and subscription of convertible bonds that have not been specified in this decision, but always in keeping with the Company's best interests and in accordance with statutory regulations.

Article 6

The Management and Supervisory Board of the Company, each within the scope of its competencies, are authorized and bear responsibility for implementation of this Decision.

The Company's convertible bonds, offered in accordance with this Decision, shall be issued through public offering of convertible bonds and this by payment in cash and/or by replacement for the Company's commercial papers, of securities marked: IGH-M-223A, ISIN code: HRIGH0M223A0 issued on 8 June 2011, with the use of exemption from the public offering prospectus requirement as provided for in Article 351, Paragraph 1, Subparagraph 3 of the Capital Market Act. At that the amount to be paid for subscription of convertible bonds by each investor 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 bonds. Consequently, in accordance with provisions contained in this Decision, the prospectus shall not be published for the issuance of bonds.

Article 7

The bonds will be subscribed via a written statement (Subscription Form). The subscription of bonds and related payment will be made as defined in the public invitation for subscription of convertible bonds. The Company Management is authorized to decide at its discretion when the public invitation for subscription of convertible bonds will be announced.

Article 8

Issues not regulated by this Decision shall be regulated as appropriate in accordance with prevailing regulations and in keeping with the Company's Articles of Association.

Article 9

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 related issuance of convertible bonds, with the court register of the Commercial Court in Zagreb.

Ad 4) DECISION on exclusion of pre-emption rights with regard to subscription of new shares that are issued through conversion of convertible bonds

Article 1

The pre-emption right during subscription of new shares can only be exercised by holders of convertible bonds that have fully been paid in. The pre-emption rights of other company shareholders can not be exercised in relation to subscription of new shares.

Article 2

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

Ad 5) DECISION on conditional increase in share capital

Article 1

In order to enable the Company creditors to use the right to convert the bonds into ordinary shares of the Company, the share capital of the Company shall be increased by the amount corresponding to the total nominal value of ordinary shares into which convertible bonds are converted upon conversion, but this amount shall in no case exceed the amount corresponding to one half of the total share capital of the Company.

Article 2

In order to increase the share capital mentioned under Article 1 above, the Company shall issue an appropriate number of ordinary registered shares in intangible form, each with nominal value of HRK 400.00, at the price of HRK 760.00 per share.

Article 3

The right to subscribe to these shares can be exercised by holders of convertible bonds that have been fully paid in. This share subscription right can in no way be exercised by other shareholders.

Based on this decision on conditional increase in the share capital of the Company, the General Assembly of the Company allows the holders of convertible bonds that have fully been paid in to acquire voting 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 4

The share capital of the Company shall be increased through conversion of convertible bonds into ordinary shares mentioned in Article 2 of this Decision, i.e. through issuance of ordinary shares of the Company.

Article 5

The Management and Supervisory Board of the Company, each within the scope of its competencies, are authorized and bear responsibility for implementation of this Decision.

Article 6

After realization of the conditional increase in share capital in accordance with this Decision, the Supervisory Board of the Company has the right to make changes in the part of the Company's Articles of Association that contains provisions on the amount of share capital and number of shares, and to define the consolidated text of the Articles of Association, in accordance with the decision on changes of the Company's Articles of Association as reached at the general Assembly meeting of 25 May 2012.

Ad 6) DECISION on changes of and additions to the Articles of Association

Article 1

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 resulting from conversion of the total number of convertible bonds, issued according to the General Assembly decision on issuance of convertible bonds of 25 May 2012, into ordinary registered shares and, accordingly, resulting from the increase in

share capital of the Company, in accordance with Article 2 of the Decision on conditional increase in share capital of 25 May 2012.

Article 2

Pursuant to this Decision on changes of and additions to the Articles of Association, as based on Article 1 of this Decision, and in keeping with results of conversion of bonds into ordinary shares of the Company, the Management and Supervisory Board of the Company are authorized to prepare the consolidated text of the Company's Articles of Association, taking into account the established increase in share capital.

Article 3

The changes of and additions to the Articles of Association, as specified in preceding Articles of this Decision, shall come into force as of the day of registration with the court register.

INSTITUT IGH, d.d.
Public Relations Office