

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 HRIGH0RA0006
Offered at the official market of the Zagreb Stock Exchange
Notice issued in accordance with Article 459 of the Capital Market Act

Zagreb, 7 May 2014

HANFA

Miramarska 24b
10000 Zagreb

ZAGREBAČKA BURZA

Ivana Lučića 2a
10000 Zagreb
Odjel uvrštenja

Pursuant to provisions of the Capital Market Act (88/08, 146/08, 74/09, 54/13, 159/13) and according to Zagreb Stock Exchange rules, we wish to advise you as follows:

The following decisions were made on 7 May 2014 at the General Assembly meeting of the company INSTITUT IGH d.d. with the registered seat in Zagreb, Janka Rakuše 1, OIB: 79766124714:

Ad. 3 - decision on regular reduction of the Company's share capital by reducing the nominal price of share from HRK 400.00 by HRK 210.00 to HRK 190.00

I

The Company's share capital amounts to HRK 123,483,600.00 and is divided into 308,709 intangible ordinary registered shares, marked IGH-R-A, and the nominal value of each share is HRK 400.00.

II

The Company's share capital is reduced from HRK 123,483,600.00 for 64,828,890.00 to HRK 58,654,710.00.

III

The Company's share capital is reduced in accordance with Article 342, Paragraph 4, of the Companies Act in a regular way in order to cover loss incurred in previous periods.

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

RIJEKA 51 000
Slavka Tomasića 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
Divkovičeva 2/C
Tel:052/508-220
Fax:052/508-221

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

Mjerodavni sud:
Trgovački sud u Zagrebu,
registarSKI uložak
s matičnim brojem (MBS)
080000959

Temeljni kapital:
105.668.000,00 kn
uplaćen u cijelosti
Broj izdanih dionica:
264.170, nominalna
Vrijednost dionice 400 kn

MB: 3750272
OIB: 79766124714
Poslovna banka:
Zagrebačka banka d.d.
Žiro-račun
2360000-1101243767
Devizni račun kod
Zagrebačke banke d.d. Zagreb
SWIFT kod: ZABHRZK
IBAN: HR723600001101243767

Uprava:
prof.dr.sc. Jure Radić, predsjednik Uprave
doc. dr. sc. Jelena Bleiziffer, član Uprave
Željko Grzunov, dipl.oec., član Uprave

Nadzorni odbor:
dr. sc. Franjo Gregurić, predsjednik



The reduction of the Company's share capital will be operated by reduction of the nominal value of the Company's share from HRK 400.00 for HRK 210.00 to HRK 190.00.

IV

The funds to be obtained through reduction of the Company's share capital, amounting to HRK 64,828,890.00, will be used to cover loss incurred in previous periods.

V

The Company's Management Board and president of the Company's Supervisory Board shall be obliged, immediately after approval of this decision, to conduct all necessary actions, and to submit application for the insertion of the decision on the reduction of the Company's share capital into the register of the Commercial Court.

Immediately upon registration of this decision with the court register, the Management Board shall be required to conduct all activities that are needed to include this corporate action into the system of the Central Depository & Clearing Company in accordance with relevant regulations and rules and instructions of the Central Depository & Clearing Company, and to act in accordance with provisions contained in Article 345 of the Companies Act.

VI

According to Article 344 of the Companies Act, the corporate action involving reduction of the share capital shall be considered realized on the day this decision is registered with the register of the Commercial Court of Zagreb.

VII

All costs arising from the conduct of the corporate action involving reduction of the share capital shall be borne by the Company.

Ad 5 Decision on the exclusion of pre-emption rights of the Company's existing shareholders with regard to subscription of and payment for the Company's new shares

I

To enable implementation of the Decision on the Increase of the Company's share capital, and pursuant to Article 308, Paragraph 4, of the Companies Act, the pre-emption right of all existing shareholders is herewith excluded with regard to subscription of and payment for the new shares that will be issued in the scope of corporate action aimed at increasing the Company's share capital.

II

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

Ad 6 Decision on the increase of share capital and on the issuance of ordinary shares, through payments in money, with the exclusion of pre-emption right of the existing shareholders during subscription of new shares in accordance with Article 308, Paragraph 4, of the Companies Act, and according to the exception with regard to previous publication of the prospectus of securities according to Article 351, Paragraph 1, Subparagraph 2, of the Capital Market Act

I

After reduction, the Company's share capital amounts to HRK 58,654,710.00 and is divided into 308,709 ordinary registered shares, each with nominal value of HRK 190.00. The Company's share capital has been fully paid in money.

II

The share capital is increased:

through payment in money amounting to HRK 57,950,000.00 (in words: fifty-seven million nine hundred and fifty thousand Croatian kunas), based on the Invitation for Expression of Interest for participation in the procedure aimed at increasing the Company's share capital. This payment is made by:

SERGEJ GLJADELKIN, Bednjanska 10, 10000 Zagreb, OIB: 53315489840 (hereinafter referred to as: the Investor) who is investing the amount of HRK 57,950,000.00 for which he will acquire 305,000 ordinary shares, all in accordance with the Companies Act;

III

The Company's share capital is increased from HRK 58,654,710.00 (in words: fifty-eight million six hundred and fifty-four thousand and seven hundred and ten Croatian kunas) for the amount of 57,950,000 (in words: fifty-seven million nine hundred and fifty thousand Croatian kunas) to HRK 116,604,710.00 (in words: one hundred and sixteen million six hundred and four thousand and seven hundred and ten Croatian kunas).

The increase of the Company's share capital specified in Paragraph 1 of this Article shall be operated by payment in money, and by issuance of 305,000 (three hundred and five thousand) new ordinary registered shares, each with the nominal value of HRK 190.00.

IV

Based on this General Assembly's decision about an increase in the share capital of the Company (target company), and according to the General Assembly's decision approving purchase of the Company's shares without the need to announce the takeover bid, in compliance with Article 14, Paragraph 1, Subparagraph 3, of the Joint Stock Company Takeover Act, the investor is herewith authorized to purchase the Company's registered shares without the need to announce the takeover bid, all in accordance with provisions contained in Article 14, Paragraph 1, Subparagraph 3 of the Joint Stock Company Takeover Act.

V

New shares shall be issued in an intangible form, i.e. in form of an electronic record made in the computer system operated by the Central Depository & Clearing Company JSC (hereinafter referred to as: the CDCC), and the latter will assign an appropriate mark to such shares.

One share shall give right to one vote at the Company's General Assembly meeting. Shares are registered and their holders shall have all the rights as specified by law and in the Company's Articles of Association as from the day the increase in share capital is registered with the court register.

VI

The price of new shares is set to HRK 190.00 per share.

VII

New shares shall be inscribed and paid for by the investor specified in Section II of this Decision based on a written statement (hereinafter referred to as: the Subscription Form) the content of which is specified in Article 307 of the Companies Act, and this by 31 May 2014 at the latest.

New shares to be issued based on Sections II, III, and IV of this Decision shall be obtained by payment of the corresponding amount to the account that will be specified by the Company.

The success of subscription and payment of shares, and the amount of increase of share capital, shall be determined according to the subscription and payment situation at the expiry of the final deadline for the subscription and payment of shares, and this within 3 (three) days after expiry of the final deadline for the subscription and payment of shares. The issuance of shares shall be deemed successfully completed if one hundred percent of

the total tranche of shares, i.e. 305,000 shares at the price of HRK 190.00 per share, are subscribed and paid for within the above mentioned deadline. Thus determined total amount of the successful issuance of shares will at the same time constitute the amount of increase in the Company's stock capital through issuance of new shares. The Company's Management Board will determine, with the approval of the Supervisory Board, the level of success of this issuance of shares, the exact amount of increase in share capital, and the exact number of new ordinary shares.

If shares from Section III of this Decision are not subscribed and paid for within the specified time, this decision of the General Assembly will not have any legal effect, nor will it create any obligation for the Company in the sense of undertaking further action or making registration with the court register.

If the subscription of the newly issued shares is not successful, the Company will return to the investor the money paid, if the sum paid amounts to less than HRK 57,950,000.00. In this case, the money will be returned within 7 (in words: seven) days following expiry of the last day for the subscription and payment of shares, in accordance with Section VII of this Decision.

VIII

After the full payment of each share, and after registration with the court register, an appropriate quantity of ordinary registered shares, with the mark as attributed by CDCC, will be issued, in an intangible form, each with the nominal value of HRK 190.00.

The investor shall become the holder of the Company's newly issued shares after registration with the CDCC depository, and this registration will be conducted in accordance with the CDCC rules as soon as the increase in share capital is registered with the court register.

Newly issued shares shall be listed at the regulated market of the Zagreb Stock Exchange d.d. in compliance with relevant regulations no later than within 12 (twelve) months after the increase in share capital is registered with the court register.

The Company's newly issued shares, issued in accordance with this Decision, can be offered for trade on the regulated market as soon as the shares are listed at the regulated market.

IX

If the increase in share capital is not registered with the court register within 3 (in words: three) months following the date on which this Decision is made, the statement on

subscription of shares (subscription form) will no longer be binding on the subscriber, and the payment will be returned to the investor without delay.

X

According to Article 308, Paragraph 4, of the Companies Act, the pre-emption right with regard to subscription of new shares is fully excluded for all other existing shareholders, as explained in the report submitted to the Company's General Assembly by the Company's Management Board.

XI

According to Article 351, Paragraph 1, Subparagraph 2, of the Capital Market Act, the prospectus does not need to be made public because the offering of securities and invitation for the subscription of shares has been sent to less than 150 physical or legal persons that are not qualified investors, per member country.

XII

This decision comes into force on the day of its registration with the court register.

The Company's Management Board and Supervisory Board are authorised to conduct all legal actions aimed at registering this decision, and the related increase in share capital, with the court register of the Commercial Court of Zagreb.

Ad 7 Decision on approval of purchase of the Company's shares without the need to make public the takeover bid, in accordance with Article 14, Paragraph 1, Section 3, of the Joint Stock Company Acquisition Act

I

The Investor specified and named in Section II of the *Decision on the increase of share capital and on the issuance of ordinary shares, through payments in money* (cf. Ad.6 of this invitation) is hereby authorized to purchase registered shares, without the need to make public the takeover bid, all in accordance with Article 14, Paragraph 1, Subparagraph 3, of the Joint Stock Company Acquisition Act.

II

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

Ad 8 Decision on change of introductory provisions, and articles 7, 8, 9, 18, 19, 21, 25, 26, 27, 29, and 30 of the Company's Articles of Association

I

Introductory provisions of the Company's Articles of Association have been modified and they now read as follows:

"The Supervisory Board of the Institut IGH d.d. approved this consolidated text of the Articles of Association of the Institut IGH d.d in accordance with Articles 275 and 301 of the Companies Act (Official Gazette – No. 111/93, 34/99, 118/03, 107/07, 146/08, 137/09, 125/11, 111/12, and 68/13), and in compliance with Article 26 of the Scientific Activity and Higher Education Act (Official Gazette No. 123/03)."

II

Article 7 of the Company's Articles of Association has been modified, and it now reads as follows:

"The Company shall publish its Invitation to the Company's General Assembly meeting in the Official Gazette of the Republic of Croatia, and shall make all other public announcements in accordance with statutory regulations and decisions of the Company's Management Board."

III

Article 8 of the Company's Articles of Association has been modified, and it now reads as follows:

1. "The share capital of the Company amounts to HRK **116,604,710.00** (one hundred and sixteen million six hundred and four thousand and seven hundred and ten Croatian kunas).
2. The Company's share capital has been paid in full."

IV

Article 9 of the Company's Articles of Association has been modified, and it now reads as follows:

1. "The Company's share capital is divided into **613,709** (in words: six hundred and thirteen thousand and seven hundred and nine) intangible ordinary registered shares, each having the nominal value of HRK 190.00 (in words: one hundred and ninety Croatian kunas).
2. The Company may issue shares in accordance with the Law and in keeping with provisions contained in these Articles of Association."

V

Article 18 of the Company's Articles of Association has been modified, and it now reads as follows:

1. "The General Assembly meeting of the Company shall be held at least once a year.
2. The General Assembly meeting shall be convened after expiry of the financial year, taking into consideration deadlines for submittal of annual accounts as foreseen in relevant regulations applicable in the Republic of Croatia.
3. The General Assembly meeting shall be held whenever such meeting is considered beneficial to Company interests. This meeting may also be convened by shareholders, provided that relevant legal preconditions have been met."

VI

Article 19 of the Company's Articles of Association has been modified, and it now reads as follows:

1. "Shareholders meeting the following cumulative requirements may attend the Company's General Assembly meeting:
 - a) they are duly registered with the Shares Register,
 - b) they have announced to the Company their intention to participate in the General Assembly meeting at least six (6) days before the General Assembly meeting."

VII

Article 21 of the Company's Articles of Association has been modified, and it now reads as follows:

1. "All voting conducted at the General Assembly meeting shall be public, unless decided otherwise by the General Assembly in specific cases. "

VIII

Article 25, Paragraph 1, of the Company's Articles of Association has been modified, and it now reads as follows:

1. "The Company's Supervisory Board members shall be elected at the General Assembly meeting."

IX

Article 26 of the Company's Articles of Association has been modified, and it now reads as follows:

1. "The term of office of Supervisory Board members shall last four (4) years as from the date of their appointment to the Supervisory Board. This provision shall also apply to Supervisory Board members who were elected prior to the entry into force of this provision and are still Supervisory Board members."

X

Article 27, Paragraph 1, of the Company's Articles of Association has been modified, and it now reads as follows:

1. "The Supervisory Board elected at the General Assembly meeting, must be constituted no later than within 8 (eight) days following the election date. The Supervisory Board shall be presided over by the oldest member of the Supervisory Board in the period until appointment of the Supervisory Board president."

XI

Article 29 of the Company's Articles of Association has been modified, and it now reads as follows:

1. "Every Supervisory Board member has one (1) vote.
2. The Supervisory Board may make decisions if more than one half of its members are present at the meeting. Decisions are made by majority vote of the total number of Supervisory Board members.
3. The Supervisory Board may make its decisions even without holding a meeting, through consultations between its members, if none of the Supervisory Board members has asked that the actual meeting be convened. Such decisions must be confirmed at the very next Supervisory Board meeting. The confirmation of such decisions does not influence their validity"

XII

Article 30 of the Company's Articles of Association has been modified, and it now reads as follows:

1. The Supervisory Board members have the right to receive compensation for their work in the Supervisory Board. The President of the Supervisory Board is entitled to a fixed monthly net compensation amounting to HRK 12,000.00 (twelve thousand Croatian kunas). Members of the Supervisory Board are entitled to a monthly net compensation equal to 80% of the compensation received by the President of the Supervisory Board. In case kunas are replaced by another currency, compensations due to Supervisory Board members shall be calculated by applying the exchange rate at which kunas are replaced with the new currency that is valid on the day on which the new currency is introduced in the Republic of Croatia."

XIII

Other provisions of the Company's Articles of Association shall remain unchanged. The Supervisory Board of the Company is herewith authorized to define the consolidated text of the Company's Articles of Association.

XIV

These changes to the Articles of Association shall come into force on the day they are registered with the court register of the Commercial Court of Zagreb.

Ad 9 Decision on the revocation of the Company's Supervisory Board members

The following Supervisory Board members are herewith revoked:

1. Franjo Gregurić Ph.D., born on 12 October 1939, Zagreb, Zelenjak 66, OIB: 68362879915.
2. Prof. Vlatka Rajčić Ph.D., OIB: 91668818594, Zagreb, Dr. Ante Šercera 3.
3. Ante Stojan, OIB: 63040184375, Mokošica, Gradićevo 1.
4. Ryvkin Grigory Evseevich, OIB: 04543597421, born on 7 April 1968, with the place of residence in Russian Federation, 197000 Sankt-Peterburg, Kolomazskiy prospekt 26, apart. 293.

Ad 10 The following decision on the change in the number of Supervisory Board members was not accepted:

The Company's Supervisory Board has 5 (five) members. This decision comes into force on the day of its adoption.

Ad 11 Decision on the appointment of Supervisory Board members

The following persons are appointed as Supervisory Board members:

1. Professor Jure Radić, Ph.D., OIB: 26241209982, born on 15 September 1953, Zagreb, Kozjak 50.
2. Veniamin Mezhibovskiy, MBA, OIB: 81886733078, born on 26 July 1965, Zagreb, Tuškanac 91.
3. Tomislav Alpeza, LL.M., OIB 64618675832, born on 15 July 1973, Zagreb, Remetski kamenjak 2E.
4. Sergej Gljadelkin, OIB 53315489840, Zagreb, Bednjanska 10.

II

The term of office of Supervisory Board members listed in Section I of this Decision shall start after the end of this General Assembly meeting and the members will remain in office until the end of the General Assembly meeting during which notes of release are given for the third (3rd) business year after appointment to Supervisory Board and, at that, the business year in which the members are appointed is not taken into account.

III

Data on the membership of Supervisory Board members in supervisory boards or management boards of other companies, and in other supervisory bodies, both in the country and abroad, are given below in compliance with Article 281, Paragraph 1, of the Companies Act:

- At the time of publication of this invitation, Professor Jure Radić, Ph.D. CE, assumes the following functions: President of the Management Board of the INSTITUT IGH d.d., Zagreb, Janka Rakuše 1; President of the Supervisory Board of the company Centar Bundek d.o.o., Zagreb, Ulica Ede Murtića 11; President of the Supervisory Board of the company Centar gradski podrum d.o.o., Zagreb, Augusta Cesarca 2; President of the Supervisory Board of the company IGH Projektiranje d.o.o., Zagreb, Janka Rakuše 1.
- At the time of publication of this invitation, Veniamin Mezhibovskiy, MBA, assumes the following functions: President of the Supervisory Board of the company IGH LIX ENERGIJA d.o.o. with the registered seat in Zagreb, Branimirova 71.
- At the time of publication of this invitation, Tomislav Alpeza, LL.M., assumes the following functions: General Manager of the company Fragment d.o.o., Zagreb, Vinogradska cesta 94/c.

IV

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

INSTITUT IGH, d.d.

Public Relations Office