

Pursuant to Article 277, Paragraph 2, of the Companies Act (Official Gazette No. 152/11, consolidated text), and the decision made on 4 April 2012 by the General Manager of the INSTITUT IGH d.d. with the head office in Zagreb, Janka Rakuše 1, company registration No. MBS 080000959, personal identification No. OIB 79766124714, represented by Professor Jure Radić, Ph.D. (Civ. Eng.) (hereinafter referred to as: the Company"), the General Manager of the Company announces the invitation to the

GENERAL ASSEMBLY MEETING

of the Company which is to take place on 25 May 2012 at 9 a.m. at the Company's premises at Janka Rakuše 1, in Zagreb.

The following Agenda is proposed for the General Assembly Meeting.

Agenda

1. Opening of the General Assembly Meeting of the Company shareholders, and establishment of the number of shareholders present or represented at the meeting.
2. The Company Management's report on reasons for exclusion of pre-emption rights with regard to subscription of new shares that are issued through conversion of convertible bonds;
3. Adoption of the decision on the issuance of convertible bonds;
4. Adoption of the decision on exclusion of pre-emption rights with regard to subscription of new shares that are issued through conversion of convertible bonds;
5. Adoption of the decision on conditional increase in share capital;
6. Adoption of the decision on changes of and additions to the Articles of Association.

Ad 2) Pursuant to Article 304, and with reference to Article 308 of the Companies Act, the Management of the company INSTITUT IGH d.d., with the registered seat in Zagreb, Janka Rakuše 1, personal identification No. OIB 79766124714, presents the

Report issued by the Management of the INSTITUT IGH, JSC on reasons for exclusion of pre-emption rights to subscription of new shares that are issued through conversion of convertible bonds

The Company Management convened the General Assembly meeting for 26 April 2012 during which the Management and the Supervisory Board will propose the decision on an increase in share capital. At the time of submittal of this Report, the meeting has not as yet been held, and the voting results relating to proposed decisions can not realistically be anticipated.

Regardless of the proposed decision on an increase in share capital, and on possible increase in share capital of the Company, the Company intends to additionally strengthen its balance sheet by converting some of its short-term liabilities into long-term liabilities, and this through issuance of convertible bonds.

The Management and the Supervisory Board consider that by issuing convertible bonds, a greater interest of potential investors will be achieved, as these bonds, by their very nature, offer an additional right to conversion into shares.

As these are convertible bonds that give right to conversion into shares, which may eventually result in an increase in share capital, the pre-emption right during subscription of new shares

can only be exercised by holders of convertible bonds that have fully been paid in and, at that, the pre-emption rights of other company shareholders are excluded in relation to subscription of new shares, because this is a specific instrument that is actually aimed at increasing the share capital.

Furthermore, because of the duration and costs of the procedure, the Management and the Supervisory Board consider it appropriate to propose, with regard to issuance of convertible bonds, the use of exemption from publication of Prospectus at public offerings 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.

By means of proposed increase in share capital through issuance of new shares, which will be decided upon at the General Assembly meeting to be held on 26 April 2012, and by proposed issuance of convertible bonds, the Company will complete the process of its financial restructuring, and preconditions would thus be created for the new cycle of organic growth, and for continuous increase of profitability and added value for its shareholders.

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

The Company Management's report on reasons for exclusion of pre-emption rights with regard to subscription of convertible bonds will not be voted on at the General Assembly, i.e. only note will be taken about submittal of the Management's report.

The Management and the Supervisory Board propose that the following decisions, based on relevant agenda items, be taken by the General Assembly:

Ad 3 Pursuant to Article 341, Paragraph 1, of the Companies Act, the General Assembly has reached to following

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) Pursuant to Article 308 of the Companies Act, the General Assembly has reached to following

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) Pursuant to Article 313 of the Companies Act, the General Assembly has reached to following

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) The General Assembly has reached the following

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.

Invitation of Shareholders

Shareholders are invited to take part in the General Assembly meeting. Every shareholder of the Company has the right to take part in the work of the General Assembly, and this either in person or through its representative or proxy. Shareholders are required to announce their intention to participate in the General Assembly meeting by contacting the Company's Investor Relations Office by letter that has to be sent no later than 6 days prior to the General Assembly meeting to the following address: Janka Rakuše 1, 10000 Zagreb, Investor Relations Office, Floor II, contact persons: Mr. Zoran Emeršić or Ms. Marijana Horvat. Such letter must be received by the Company on 18 May 2012 at the latest.

The Company shareholder is every shareholder whose shares are situated on his/her intangible securities account held with the Central Depository and Clearing Company on the day on which the invitation to the General Assembly meeting is published in the Croatian Official Gazette.

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 proxy, 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). 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 report on reasons for partial exclusion of pre-emption rights with regard to subscription of new shares, and all other information as required according to Article 280.a 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 one twentieth 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 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.

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

INSTITUT IGH, d.d.
ZAGREB, Janka Rakuše 1
GENERAL MANAGER

Zagreb, 4 April 2012
No.: 1000-7150/2012

Pursuant to Article 277 of the Companies Act (Official Gazette No. 152/11, consolidated text), the Management - General Manager of INSTITUT IGH, JSC, made on 4 April 2012 the following

D E C I S I O N
on the convocation of
General Assembly Meeting
of INSTITUT IGH, d.d.

- I. I hereby convene the Regular General Assembly Meeting of the INSTITUT IGH, joint stock company for research and development in civil engineering, Zagreb, Janka Rakuše 1, which will be held on Friday, 25 May 2012 at 9 o'clock at the Company's head office in Zagreb, Janka Rakuše 1.
- II. I propose the following agenda for this General Assembly Meeting:

A G E N D A :

1. Opening of the General Assembly Meeting of the Company shareholders, and establishment of the number of shareholders present or represented at the meeting.
 2. The Company Management's report on reasons for exclusion of pre-emption rights with regard to subscription of new shares that are issued through conversion of convertible bonds;
 3. Adoption of the decision on the issuance of convertible bonds;
 4. Adoption of the decision on exclusion of pre-emption rights with regard to subscription of new shares that are issued through conversion of convertible bonds;
 5. Adoption of the decision on conditional increase in share capital;
 6. Adoption of the decision on changes of and additions to the Articles of Association.
- III The General Assembly meeting agenda will be published in the Official Gazette together with the invitation to the Assembly Meeting in which conditions to be met for participating in the meeting will be specified.

GENERAL MANAGER OF INSTITUT IGH d.d.

Prof. Jure Radić, Ph.D. CE

By invitation and pursuant to Article 280 a of the Companies Act (152/11, consolidated text), and relating to the General Assembly meeting of shareholders of the company INSTITUT IGH d.d. with the registered seat in Zagreb, Janka Rakuše 1, company registration No. MBS:080000959, personal identification No. OIB:79766124714, which is to be held on 25 May 2012 at 9,00 a.m. at the Company's premises at Janka Rakuše 1, we hereby issue the following statement:

The share capital of the company INSTITUT IGH d.d. with the registered seat in Zagreb, Janka Rakuše 1, company registration No. MBS:080000959, personal identification No. OIB:79766124714 (hereinafter referred to as: the Company), amounts to HRK 63,432,000.00 and is divided into 158,580 intangible ordinary registered shares (IGH-R-A), each with the nominal value of HRK 400.00. As no contrary provision is contained in the Company's Articles of Association, by invitation and pursuant to Article 289 of the Companies Law (146/08, 137/09), the General Assembly can make valid decisions regardless of the number of shareholders represented at the General Assembly meeting. One share gives right to one vote. According to Article 21 of the Articles of Association, electronic readers and bar codes will be used in voting. The reader and bar codes will be distributed to shareholders, representatives, and proxy holders immediately before the start of the General Assembly meeting. Once each point on the agenda is voted upon, the corresponding results will be announced, and these results will show - by specifying individual names - how each shareholder, represented shareholder, or proxy holder has voted.

The item 1 of the Agenda is not voted upon as it concerns opening of the General Assembly meeting and definition of number of shareholders or their representatives. The item 2 of the Agenda is not voted upon: the General manager of the Company submits reports, and General Assembly takes note of these reports. Although this item of the Agenda is not voted upon, it can be discussed and commented upon by the shareholders, and these comments can be entered in the minutes kept at the General Assembly meeting.

Zagreb, 4 April 2012

INSTITUT IGH, d.d.

**Prof. Jure Radić, Ph.D. CE
General Manager**

**Report issued by the Management of the INSTITUT IGH, JSC
on reasons for exclusion of pre-emption rights to subscription of new shares that are
issued through conversion of convertible bonds**

The Company Management convened the General Assembly meeting for 26 April 2012 during which the Management and the Supervisory Board will propose the decision on an increase in share capital. At the time of submittal of this Report, the meeting has not as yet been held, and the voting results relating to proposed decisions can not realistically be anticipated.

Regardless of the proposed decision on an increase in share capital, and on possible increase in share capital of the Company, the Company intends to additionally strengthen its balance sheet by converting some of its short-term liabilities into long-term liabilities, and this through issuance of convertible bonds.

The Management and the Supervisory Board consider that by issuing convertible bonds, a greater interest of potential investors will be achieved, as these bonds, by their very nature, offer an additional right to conversion into shares.

As these are convertible bonds that give right to conversion into shares, which may eventually result in an increase in share capital, the pre-emption right during subscription of new shares can only be exercised by holders of convertible bonds that have fully been paid in and, at that, the pre-emption rights of other company shareholders are excluded in relation to subscription of new shares, because this is a specific instrument that is actually aimed at increasing the share capital.

Furthermore, because of the duration and costs of the procedure, the Management and the Supervisory Board consider it appropriate to propose, with regard to issuance of convertible bonds, the use of exemption from publication of Prospectus at public offerings 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.

By means of proposed increase in share capital through issuance of new shares, which will be decided upon at the General Assembly meeting to be held on 26 April 2012, and by proposed issuance of convertible bonds, the Company will complete the process of its financial restructuring, and preconditions would thus be created for the new cycle of organic growth, and for continuous increase of profitability and added value for its shareholders.

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