

ILIRIJA d.d.
Biograd na Moru
Company's Management Board

According to Article 277 of the Companies' Act ("Official Gazette" Number 152/11-consolidated text, 111/12, 68/13, 110/15 and 40/19) and Article 7 of the Articles of Association of ILIRIJA d.d., Biograd na moru (hereinafter referred to as: Company), the Management Board has convened

ORDINARY GENERAL ASSEMBLY
OF THE JOINT STOCK COMPANY ILIRIJA BIOGRAD NA MORU
on 10th August 2020 at 09:00 hours
in the registered office of the Company, Biograd na moru Tina Ujevića 7.

The following agenda has been determined for the General Meeting

AGENDA

1. Opening of the General Meeting, determining the number of shareholders present or their proxies and the establishment of the quorum;
2. The Management Board's report on the Company's operations and position for the year 2019;
3. Report on the acquisition of treasury shares in the year 2019;
4. Report by the Company's Supervisory Board on performed supervision of Company's business operations in the year 2019;
5. Auditor's report on the audit of the Company's operations performed in 2019;
6. Taking note of the Decision on establishing the fundamental annual financial statements of the Company for 2019;
7. Decision on use of profit of Ilirija d.d. for the fiscal year 2019;
8. Giving remuneration to the Company's Management Board;
9. Giving remuneration to the members of the Supervisory Board for the supervision of the Company's operations performed in the previous period;
10. Decision on approval of the Remuneration Policy for the members of the Management Board;
11. Appointment of the Company's auditor for the year 2020;

DRAFT DECISIONS

According to the provision of Article 280, paragraph 3 of the Companies' Act (Official Gazette No.: 152/11-consolidated text 111/12, 68/13, 110/15 and 40/19) the Management Board and Supervisory Board of the Company propose that the General Assembly should take the following decisions:

Ad. 2; 3; 4; 5 and 6, The Report submitted by the Management Board of the Company on the operations and position of the Company for the year 2019 has been taken note of, the Report of acquisition of treasury shares for the year 2019 has been taken note of, the Report of the Supervisory Board of the Company on the performed supervision of the business operations of the Company in 2019 has been taken note of, the Report and opinion of the Auditor on the performed audit of the business operations of the Company for the year 2019 has been taken note of, the Decision on establishment of the fundamental annual financial statements of the Company for the year 2019 has been taken note of.

Ad.7. According to the provision of Article 220 and 275, paragraph 1, section 2 of the Companies' Act (Official Gazette Number 152/11-consolidated text, 111/12, 68/13, 110/15 and 40/19) and Article 7 of the Articles of Association of ILIRIJA d.d., at the proposal of the Management Board and Supervisory Board of the Company, at the meeting held on 10th August 2020, the General Assembly of the Company takes the

DECISION
on use of profit of Ilirija d.d. for the fiscal year 2019

Article 1

The profit generated in the fiscal year 2019 after the taxation in the amount of HRK 31.333.914,00 is appropriated in the following way:

- HRK 9.400.000,00 to statutory reserves;
- HRK 21.933.914,00 to retained profit;

Article 2

This Decision comes into force immediately on the date of taking it.

President
of the General Assembly

Ad.8. According to the provision of Article 275, paragraph 1, section 3 and Article 276, paragraph 1, of the Companies' Act (Official Gazette, No. 152/11- consolidated text, 111/12, 68/13, 110/15 and 40/19), upon proposal of the Management Board and Supervisory Board of the Company, at the meeting held on 10th August 2020, the General Assembly of the Company takes the

DECISION
on giving remuneration to the Company's Management Board

Article 1

The remuneration is given to the Goran Ražnjević, the only member of the Management Board of the Company.

Article 2

By giving remuneration, the General Assembly approves the work of the Management Board on managing the business operations of the Company in the year 2019.

Article 3

This Decision comes into force immediately on the date of taking it.

President
of the General Assembly

Ad. 9. According to the provision of Article 275, paragraph 1, section 3 and Article 276, paragraph 1, of the Companies' Act (Official Gazette, No. 152/11- consolidated text, 111/12, 68/13, 110/15 and 40/19), upon proposal of the Management Board and Supervisory Board of the Company, at the meeting held on 10th August 2020, the General Assembly of the Company takes the

DECISION
on giving remuneration to the Supervisory Board of the Company

Article 1

Remuneration is given to the Supervisory Board of ILIRIJA d.d., namely to the following persons:

Goran Medić, President of the Supervisory Board of the Company;
David Tudorović, Deputy President of the Supervisory Board;
Davor Tudorović, Member of the Supervisory Board of the Company;
Darko Prebežec, Member of the Supervisory Board of the Company;
Siniša Petrović, Member of the Supervisory Board of the Company.

Article 2

By giving the remuneration, the General Assembly approves of the work of the Supervisory Board for the supervision of the Company's operations for the year 2019.

Article 3

This Decision comes into force immediately on the date of taking it.

President
of the General Assembly

Ad 11. According to the provisions of Article 275 i 247 a of the Companies' Act (Official Gazette No. 152/11- consolidated text 111/12, 68/13, 110/15 and 40/19) at the proposal of the Company's Supervisory Board, the General Assembly made the below Decision at the meeting held on 10th August 2020:

DECISION
on approval of the Remuneration Policy
for the members of the Management Board

Article 1

The Remuneration Policy for the members of the Management Board is approved.

Article 2

This Decision comes into force immediately on the date of taking it.

President
of the General Assembly

Ad. 11. According to the provision of Article 275, paragraph 1, section 4 of the Companies' Act (Official Gazette, No. 152/11- consolidated text, 111/12, 68/13, 110/15 and 40/19), upon the proposal of the Supervisory Board, at the meeting held on 10th August 2020, the General Assembly of the Company takes the

DECISION
on appointment of the auditor for the year 2020

Article 1

The chartered audit company „Revicon“d.o.o. Zadar, Ruđera Boškovića 4, Tax Number OIB: 31008688672 is appointed to perform audit for the year 2020.

Article 2

This Decision comes into force immediately on the date of taking it.

President
of the General Assembly

**CALL AND INSTRUCTIONS FOR SHAREHOLDERS FOR PARTICIPATION IN
THE GENERAL MEETING**

(hereinafter referred to as: Call, that is, Instructions)

- 1.) The entitlement to participation in the work of the General Meeting and exercising voting right (one share = one vote) is vested in each Company's shareholder, that notifies the Company about its participation in writing no later than six days prior to holding the General Meeting, that is, no later than 04th August 2020. The Company's shareholder is considered to be a legal and natural person that is as the shareholder registered with the Depository of the Central Clearing Depository Company Inc. (SKDD) on the last day for registration for the participation in the work of the General Meeting, that is, on 04th August 2020.
- 2.) The shareholders participate at the General Meeting in person or are represented by their proxies on the basis of a written power of attorney duly authenticated by a notary public.
- 3.) The application (in order to be valid) must include, and also must be accompanied by the following:
 - a) Shareholders – natural persons:
 - first name and family name, place of residence, Tax No. OIB, number of account in SKDD and total number of shares
 - b) Shareholders – legal persons:
 - company or name of a legal person, registered seat, Tax No. OIB, number of account in SKDD and total number of shares;
 - a copy of the excerpt from the court or any other registry on registration of persons authorized for representation of the legal person in the current year;
 - power of attorney for representation by a proxy of a legal person if the legal person is not represented by a person authorized for representation according to the legal provisions
 - c) Proxies of shareholders – natural persons:
 - first name and family name, place of residence (address) and proxy's tax number OIB;
 - list of shareholders represented by him, for each of them the number of account opened in SKDD and total number of shares of all represented shareholders are to be indicated;
 - the application is to be accompanied by all individual powers of attorney of shareholders on prescribed form.
 - d) Proxies of shareholders – legal persons:
 - company name or name of a legal person, registered seat and address and proxy's tax no. OIB;
 - list of shareholders represented by him, for each of them the number of account opened in SKDD and total number of shares of all represented shareholders are to be indicated;
 - the application is to be accompanied by individual powers of attorney of shareholders in written form, and if a shareholder is a legal person, the application is to be accompanied by an excerpt from court registry or any other registry with which the legal person is registered, or its copy, certified copy or any other public document which shows that the power of attorney has been signed by a person that is legally authorized to represent this legal person.

It is recommended that the form of application for participation in the General Meeting and powers of attorney should be used.

The application forms can be obtained in the registered office of the Company and they are also available on the website of the Company

www.ilirijabiograd.com

- 4.) The application for participation in the General Meeting and the powers of attorney and all attachments must be in the Croatian language, but if they are in a foreign language, they should be accompanied by a Croatian translation to be produced by a qualified court interpreter.

Shareholders, representatives and proxies of shareholders who do not fulfill their obligation of submitting a proper notice of participation in the work of the General Meeting in accordance with this call, shall not have the right to participate and to vote at the General Meeting of the Company.

- 5.) The applications for participation in the General Meeting shall be submitted directly to the Company at its headquarters in Biograd na Moru, Tina Ujevića 7 or are to be sent to the Company by registered mail to the address: Ilirija d.d., Tina Ujevića 7, 23210 Biograd na Moru;
- 6.) Applications for participation at the General Meeting shall be considered timely submitted if they have been submitted or sent by ordinary mail at the post office to the Company no later than by 24:00 hours on 04th August 2020 according to these Instructions. The shareholders that failed to report their participation at the General Meeting properly in accordance with these Instructions or who failed to attach the relevant documents to the application form according to these Instructions shall not be entitled to participate in the General Meeting.
- 7.) For underage natural persons and persons without legal capacity or with limited legal capacity the application form is to be submitted by and such a person is represented by a legal representative who has to attach the original or a copy or certified copy of the document to the application form that shows his status of a legal representative.
- 8.) This Decision and draft decisions that are proposed to the General Assembly by the Management Board and the Supervisory Board shall be published on the website of the Court Registry, Zagreb Stock Exchange, HINA (The Croatian News Agency) and Ilirija d.d. and shall be submitted to HANFA (Croatian Financial Services Supervisory Agency).
- 9.) The shareholders who together hold shares in the amount of the twentieth part of the share capital of the Company may request in a written form that an item be placed on the agenda of the General Assembly. Such a request, together with an explanation and a draft decision must be received by the Company no later than 30 days before the date when the General Meeting is held, or on the closing date 11th July 2020. The failure to observe the deadline results in non-valid disclosure of the proposed agenda items and they cannot be properly decided upon at the General Meeting.
- 10.) Each shareholder shall by stating his name and surname be authorized to submit his counterproposal supported by an explanation to the draft decision by the Management Board and the Supervisory Board by the agenda items and deliver it to the Company at least 14 days before the General Meeting is held or on the closing date 27th July 2020 to the address of the Company Tina Ujevića 7, 23210 Biograd na Moru. Failing to observe this deadline shall not result in deprivation of the right to submit the counterproposal at the General Meeting.
- 11.) The Management Board shall at the General Meeting give every shareholder at his request, information about the affairs of the Company, if it is necessary to make judgment of the issues on the agenda.
- 12.) All materials relating to the agenda of the General Assembly will be available to the shareholders at the Company's headquarters every working day from 11.00 to 12.00 hours from the day of publication of this Decision.
- 13.) Participants are invited to come to the Management Board's Office of the Company one hour before the scheduled commencement of the General Meeting, in order to make the registration of the participants and deliver materials for participation in the work of the General Meeting in proper time. Voting at the General Meeting is done electronically.

The public is excluded from the work of the General Meeting.

ILIRIJA d.d.
Biograd na Moru


ILIRIJA dioničko društvo
za ugostiteljstvo i turizam
Biograd na Moru 2

Remuneration policy for the Management Board Members of the company ILIRIJA d.d.

1 Determination of the principles of the Remuneration Policy

The remuneration policy sets out the principles for the remuneration of the President of the Management Board as the sole member of the Management Board of ILIRIJA d.d. ("The Company"), where the remuneration policy is in accordance with Article 247.a of the Companies' Act ("CA") adopted according to the Supervisory Board's decision as of 28. April 2020 ("Remuneration Policy"). The remuneration policy will be applied after it has been approved by the General Assembly of the Company in accordance with Article 276.a, paragraph 1 of the Companies' Act.

The General Assembly of the Company decides at least once every four years whether to approve the Remuneration Policy submitted to it by the Supervisory Board.

2 Setting a goal

The remuneration policy should ensure that the total remuneration of the President of the Management Board is adequate to the position of the Company and to the remuneration in comparative companies, is stimulating for the behavior for the purpose of sustainable development of the Company, and that it promotes the business strategy and long-term development and interest of the Company.

The remuneration thus corresponds to the overall responsibility of the Management Board related to the tasks and responsibilities of the President of the Management Board. Furthermore, the length of employment service, taking over the duty of the sole member of the Management Board, that is, of the President of the Management Board, are relevant.

The remuneration policy is the stimulation for the President of the Management Board to actively develop and follow the Company's strategy, to permanently ensure the long-term sustainable development of the Company and to avoid disproportionate risks, and to successfully and ethically implement the Company's strategy. When establishing specific performance criteria, care should be taken to avoid excessive risk appetite and excessive orientation to short-term gains. At the same time, ambitious goals should be identified that are an incentive for achieving extraordinary results. The main concern is the long-term economic growth and development of the Company, as well as maintaining the long-term economic viability and stability of the Company, maintaining a stable financial position, long-term assets and capital of the Company, as well as business activities, taking into account both regular business operations and business operations in special and extraordinary circumstances.

The implementation of the Company's business plans also affects the determination and accomplishment of goals both regarding the financial and non-financial (individual) performance criteria. In the both cases, we should attend to the long-term development of the Company.

3 Portions of remuneration

The Management Board President's remuneration consists of the following portions:

- Fixed non-performance based portion of remuneration, and
- Variable portion of remuneration based on fulfillment of financial and non-financial annual and multi-annual performance criteria.

In determining an appropriate level of fixed and variable remuneration, the Supervisory Board primarily considers: (i) that, in accordance with legal regulations and listed securities in the regulated market, the Company has the status of a public-interest entity and the status of a large corporation, with a highly complex portfolio that includes the hotel industry, hospitality facilities, camping, nautics, travel agency and trade/real estate, (iii) that the Company shows a high level of awareness of the importance of key personnel, effectively manages the labor force and applies a fair remuneration policy, (iv) that the Management Board of the Company consists of only one member of the Management Board - the President of the Management Board, whose position incorporates all the key corporate management competencies and responsibilities, and (v) the Company is constantly investing in the improvement of products, and in the past medium-term period it achieved high rates of growth of business results and adequate rates of rise in the price of shares.

4 Fixed portions of the remuneration

Fixed portion of the remuneration consists of the basic salary and salary in kind.

4.1. Basic salary

The basic salary is paid out twelve times a year.

Various factors are taken into account in determining the basic salary: first of all, this portion of the remuneration is paid for accepting the duty of the President of the Management Board and the related overall responsibility of the President of the Management Board. In addition, the amount of such remuneration is determined taking into account the remunerations of the members of the management board that are common in the market.

In the context of this market comparison, which particularly includes other successful tourism companies whose shares are listed in the regulated market, account should be taken of the specific characteristics of the Company derived from the relevant market, as well as Company's specific indicators.

Bearing in mind these assumptions, a fixed remuneration should represent a competitive and market reward that will enable the Company to find and retain a capable President of the Management Board.

4.2. Salary in kind

A salary in kind includes the right to using a company car for private purposes.

During the term of employment, the Company will provide to the President of the Management Board an upper-middle class private car that can be used for private purposes as well. A driver may be available for driving for company purposes.

In addition to the legally compulsory insurance, the Company also concludes full coverage car insurance for this car and appropriate travel insurance for passengers.

5 Variable portions of the remuneration

5.1. General

The President of the Management Board is entitled to a variable portion of the remuneration, which depends both on the economic development of the Company and on the accomplishment of the agreed goals.

The variable portion of the remuneration ranges from 1.0% to 1.6% of realized amount of EBITDA and is limited to a maximum of 100% of the gross basic salary as an element of the fixed part of the remuneration on an annual basis, assuming that the forecasted business objectives are achieved.

5.2. Determination of the goal

In order to initiate the annual process of planning the variable remuneration system on the one hand and to focus the Company on strategic goals and potentials in the medium term, the Supervisory Board determines business and financial targets for a period of five years.

5.3. Methods for determining the fulfillment of the criteria

The Management Board draws up the Annual Business Plan and submits it to the Supervisory Board for adoption.

After the end of the fiscal year, the Supervisory Board reviews the achieved business results of the Company and finally determines the degree of achievement of the business goals.

Reviewing the achieved business results of the Company is performed at the meeting of the Supervisory Board at which the decision is made on approving the Company's annual financial statements in the presence of the Management Board, which provides the Supervisory Board with the Annual Report on the Company's operations along with the Annual Financial Statements.

Based on the submitted reports and in accordance with the degree of realization of the Business Plan, the Supervisory Board determines to what extent the Company's business goals and results have been achieved and decides on the payment of the variable portion of the remuneration and its sum.

5.4. Payment of the variable portion of the remuneration

The variable portion of the remuneration is generally paid out once a year in accordance with the decision of the Supervisory Board. However, the Supervisory Board may decide that the variable portion of the remuneration should be paid out on a one-off basis for a maximum three previous fiscal years.

5.5. Right to request the refund of the variable portion of the remuneration

The Company is entitled to request the refund of the paid variable part of the remuneration from the President of the Management Board if the variable part of the remuneration is determined and paid on the basis of obviously inaccurate information. Refund of that amount can be made in monthly amounts during a period of maximum 12 months.

5.6. The Company neither pays voluntary pension and health insurance to the President of the Management Board, nor does it have an obligation to top up the national pension insurance record, if upon termination of his contract with the Company he takes early retirement.

6 Term and cancellation of contract with the President of the Management Board

6.1. Term and cancellation

The term of the contract on the performance of the duties of the President of the Management Board is in principle five years. In any case, that term is linked to the term of office.

Every contractual party is entitled to terminate this Contract with a 6 months' notice period. This Contract shall be deemed terminated even if the President of the Management Board has resigned from his position, where the resignation is effective as of the date of expiry of the notice period.

Every contractual party may extraordinarily terminate the contract with immediate effect in case of an important reason to do so.

6.2. Consequences of the cancellation

The Company shall in the event of cancellation of this Contract due to: (i) the expiration of the term of the Contract, or (ii) in the event of the cancellation of this Contract by mutual agreement or (iii) in the case of cancellation or termination of this Contract by the Company not caused by fault of the President of the Management Board or termination of his term of office as the President of the Company's Management Board for an important reason, offer to the President of the Management Board a new contract which continuously, without interruption, establishes an employment for a fixed term for the purpose of performing activities that are appropriate to his degree of education, occupation and work experience.

In the case of (i) cancellation of the term of the Contract and the Company fails to offer a new contract to the President of the Management Board or in case this new contract is turned down by the President of the Management Board or (ii) in the case of cancellation or termination of this Contract by the Company not caused by fault of the President of the Management Board, the Company shall pay to the member of the Management Board a severance pay up to a maximum of 12 basic salaries he earned in the previous period. The stated amount is a gross severance pay and it will be reduced by all statutory taxes and payroll contributions.

7 Determination of remuneration in relation to the conditions of workers' remuneration

In order to ensure an adequate ratio of the Management Board President's remuneration to the remuneration of employees and working conditions in the Company, the monthly basic salary of the President of the Management Board should not exceed ten times the monthly average basic salary of the Company's employees calculated on the basis of the full-time hours of the employees working for the Company.

8 Procedure for the adoption, implementation and supervision of the Remuneration Policy

This Remuneration Policy was adopted by the Supervisory Board's decision of 28. April 2020. The remuneration policy will be applied after it has been approved by the General Assembly in accordance with Article 276.a, paragraph 1 of the Companies' Act.

The provisions of this Policy will not apply to relationships, rights and obligations that arose prior to the entry into force of this Remuneration Policy.

The Management Board submits to the Supervisory Board an annual report on the subject of remuneration, while the Supervisory Board may revise the Remuneration Policy if necessary and submit it for approval to the General Assembly of the Company.

The members of the Supervisory Board must report any conflict of interest and abstain from voting if necessary.

The Supervisory Board shall review the Remuneration Policy as appropriate at least once every four years, with the involvement of internal and external experts - and determines whether it should be amended. In the event that the Supervisory Board decides to amend the Remuneration Policy, after it was adopted by the Supervisory Board and takes a decision on the Remuneration Policy, it shall submit it to the General Assembly of the Company for approval.

The same applies to any early change to the Remuneration Policy.

9 Temporary derogation from remuneration policy

Derogation from this Remuneration Policy is possible only in exceptional circumstances and temporarily and can only relate to its sections 4, 5 and 7. Any deviations from this Remuneration Policy should be notified to the General Assembly accompanied by an explanation of the exceptional circumstances that the deviation is based on.

Exceptional circumstances are in particular:

- Significant changes to the legal or regulatory framework,
- Modification of the basis for evaluating performance criteria that can no longer be used to determine the accomplishment of a goal,
- An unforeseen resignation or recall of a management board member for an important reason
- Significant economic upheavals or changes, that is, war, terrorist or similar events, such as a pandemic and epidemic, including the current emergency circumstances and the consequences caused by the coronavirus
- The occurrence of special circumstances that imply an event or a condition that could not have been anticipated and could not have been affected, which threatens the life and health of citizens, property of greater value, significantly damages the environment, economic activity or causes significant economic damage.

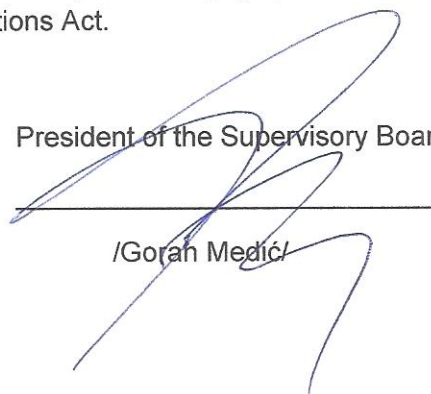
In such cases, the Supervisory Board decides whether if there is an exceptional circumstance and whether they should derogate from the Remuneration Policy in order to preserve the long-term economic viability and stability of the Company, or to preserve the stable financial position of the Company, to preserve the Company's long-term assets and capital, and the Company's business activities.

If determined so, the Supervisory Board may, to an appropriate extent, assume the Company's contractual obligations from the Management Board's member which deviate from the Remuneration Policy.

The Supervisory Board may at its discretion take Decisions on the remuneration of the Management Board for the term of extraordinary circumstances applied to derogate from this Remuneration Policy, depending on the assessment of the work of the Management Board, without being bound by the limits of remuneration (neither the minimum nor the maximum amounts of remuneration) contained in sections 4, 5 and 7 of this Remuneration Policy.

When taking its decisions, the Supervisory Board shall comply with the principle of good faith and fair dealing and the principle of equity for the benefit of the Company and its shareholders, while adequately complying with the provisions of Articles 272 and 252 of the Companies' Act in conjunction with Article 247.a, paragraph 2 of the Companies' Act, Articles 2, 3, 4, 5 and 11 of the Obligations Act in conjunction with Article 369 of the Obligations Act.

President of the Supervisory Board

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, positioned above a solid horizontal line.

/Goran Medić/