

Pursuant to Article 277, paragraphs 1 and 2 of the Companies Act (Official Gazette 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15) and in accordance with the Statute of the company JADRAN d.d., Crikvenica, Bana Jelačića 16 (hereinafter: the "Company"), the Management Board of the Company convenes the General Assembly and issues the following call for

### **EXTRAORDINARY GENERAL ASSEMBLY**

of the company JADRAN d.d. for Hotel Management and Tourism, which will be held on 24 August 2018 at 10:00 a.m. in the hotel Omorika in Crikvenica

### **A g e n d a**

1. Opening of the General Assembly and establishment of a quorum, drafting a list of present and represented shareholders and appointing the Chairman of the Assembly
2. Decision on the regular reduction of the Company's share capital
3. Decision on amendments to the Company's Statute
4. Decision on the increase in the Company's share capital

### **Decision proposals**

#### **Ad 2.**

Based on Art. 342 of the Companies Act, the General Assembly of the Company makes the following decision:

#### **DECISION**

on the regular reduction of the Company's share capital

- I. The share capital of the Company amounts to HRK 491,316,690.00 (four hundred ninety-one million three hundred sixteen thousand six hundred and ninety kuna) and is divided into 49,131,669 (forty-nine million one hundred thirty-one thousand six hundred and sixty-nine) ordinary shares in non-materialised form without nominal amount.
- II. The Company's share capital is reduced from the amount of HRK 491,316,690.00 (four hundred ninety-one million three hundred sixteen thousand six hundred and ninety kuna) for the amount of HRK 208,809,600.00 (two hundred eight million eight hundred nine thousand six hundred kuna) to the amount of HRK 282,507,090.00 HRK (two hundred and eighty-two million five hundred seven thousand ninety kuna) due to the entry of funds received by reducing the Company's reserves.
- III. It is established that after the reduction of the Company's share capital, as provided for in item II of this Decision, the amount of the share capital that equals to one ordinary share of the Company will be

lower than the minimum allowed amount prescribed by Article 163, paragraph 2 of the Companies Act, whereby, in accordance with Article 342, paragraph 4 of the Companies Act, the reduction of share capital will be conducted by merger of shares in a way that 3 (three) ordinary shares without nominal amount will be merged into 1 (one) ordinary share without nominal amount.

- IV. In case of shareholders who will not hold a whole number of shares after the merger, i.e. who at the time of the merger of shares do not hold the number of shares divisible by 3 at their non-materialised securities accounts, the corresponding number of their shares after the merger will be rounded to the first lower whole number of shares and the number of shares at their non-materialised securities accounts, after the implementation of the corporative action of merger of shares, will be reduced to the first lower whole number of shares after the merger, with the Company's simultaneous obligation to pay each of these shareholders compensation in the amount of HRK 5.75 (five kuna and seventy-five lipa) per share before the conducted merger for which the number of shares entered on the account of non-materialized securities has been reduced after the implementation of the corporate share-merger action. The compensation will be paid through the Central Depository and Clearing Company d.d. (hereinafter: "SKDD").

Shares for which the corresponding number of shares of individual shareholders of the Company is reduced in accordance with item IV and for which the compensation has been paid to the shareholders, will be acquired by the Company as its own shares and the Management Board will be given the authority for the described acquisition of own shares during the period of 6 (six) months from the date of the adoption of this Decision. Own shares can be acquired at the price of HRK 5.75 (five kuna and seventy-five lipa) per share before the merger. Own shares acquired in the manner described above may not comprise more than 10% (ten percent) of the Company's share capital.

- V. Following the reduction of the Company's share capital by merging the shares, the Company's share capital amounts to HRK 282,507,090.00 (two hundred and eighty-two million five hundred seven thousand ninety) and is divided into 16,377,223 (sixteen million three hundred and seventy-seven thousand two hundred and twenty-three) ordinary shares in a non-materialised form, without nominal amount.
- VI. The Management Board of the Company and the President of the Supervisory Board are responsible for taking all necessary actions for entering this Decision into the Court Registry of the Commercial Court in Rijeka and in the depository of the Central Depository and Clearing Company d.d.
- VII. The Company undertakes to provide insurance to creditors who request so pursuant to Article 345, paragraph 1 of the Companies Act.
- VIII. All costs of reducing the share capital and merging of shares are borne by the Company.

- IX. The regular reduction of the Company's share capital by the merger of shares shall be considered conducted on the date of entry of this Decision into the Court Registry of the Commercial Court in Rijeka.

**Ad 3.**

The General Assembly of the Company makes the following decision:

DECISION  
on amendments to the Company's Statute

- I. Article 9 of the Company's Statute shall be amended to read as follows:

"The share capital of the Company amounts to HRK 282,507,090.00 (in letters: two hundred and eighty-two million five hundred seven thousand ninety kuna).

*„The share capital of the Company is divided and contained in 16,377,223 ordinary non-materialised registered shares, without the nominal amount and each carrying the right to one vote."*

- II. This Decision produces legal effects from the date of its entry in the Court Registry of the Commercial Court in Rijeka.

- III. The Supervisory Board of the company is authorised to draft a complete text of the Statute and to submit it to the public notary for certification.

**Ad 4.**

Based on Art. 304 of the Companies Act, the General Assembly of the Company makes the following decision:

DECISION  
on the increase in the Company's share capital by consideration in cash

- I. The Company's share capital amounts to HRK 282,507,090.00 (two hundred and eighty-two million five hundred seven thousand ninety) and is divided into 16,377,223 (sixteen million three hundred and seventy-seven thousand two hundred and twenty-three) ordinary shares in a non-materialised form, without nominal amount. The Company's share capital is paid in full.

- II. By this Decision, the Company's share capital is increased from the amount of HRK 282,507,090.00 (two hundred and eighty-two million five hundred seven thousand ninety kuna) for a maximum amount of HRK 282,733,710.00 (two hundred and eighty-two million seven hundred and thirty-three thousand seven hundred and ten kuna) to the maximum amount of HRK 565,240,800.00 (five hundred and sixty-five million two hundred forty thousand eight hundred kuna).

- III. Increase in the Company's share capital from item II of this Decision will be made by cash payment, issuing a maximum of 16,390,360 (sixteen

million three hundred ninety thousand three hundred sixty) new ordinary registered shares without the nominal amount (hereinafter: "New Shares").

- IV. New Shares are issued in non-materialised form, in the form of electronic records in the computer system of the Central Depository and Clearing Company d.d. (hereinafter: "SKDD") with a mark assigned by the SKDD. New Shares are entered by a written statement (subscription form).

Payment for New Shares will be made to the account specified in the invitation for subscription of New Shares and will be listed in the subscription form.

Each New Share gives the right to one vote in the Company's General Assembly as well as all other rights identical to the rights provided by existing shares of the Company, in accordance with the law and the Company's Statute. New Shares are registered in shareholders name and give shareholders all rights established by the law and the Company's Statute from the date of the entry of the increase in share capital in the Court Registry of the Commercial Court in Zagreb.

- V. Increase in the Company's share capital on the basis of this Decision will be made by offering New Shares to existing shareholders of the Company in one round, with the prior publication of the prospectus in accordance with the Capital Market Act.

Each shareholder of the Company shall have the right to enter the number of New Shares that corresponds to its interest in the Company's share capital defined in item I of this Decision on the date of [publication of the invitation for subscription of New Shares]. Subscription forms and payments covering subscription, i.e. payment of a number of New Shares that is greater than the number to which each individual shareholder is entitled to subscribe in accordance with this item, shall be taken into consideration only up to the number of New Shares that an individual shareholder is entitled to subscribe.

Shareholders of the Company will be able to realise their right to subscribe New Shares within 14 days from the date stated in the invitation for subscription of New Shares.

- VI. Place and time ensured for the subscription of New Shares will be stated in detail in the public invitation for subscription of New Shares. Shareholders are obliged to pay the subscribed New Shares within the deadline defined by the Company's Management Board in the public invitation for subscription of New Shares.

- VII. New Shares will be entered and paid in the manner specified in the invitation for subscription of New Shares. The Management Board of the Company is authorised to independently decide when it will publish the invitation for subscription of New Shares. The Management Board of the Company will publish the invitation for subscription of New Shares on the [website of the Zagreb Stock Exchange d.d. and on the Company's website].

- VIII. In case that a custodian bank answers to the subscription and payment of New Shares, the subscription form may be completed and sent by the custodian bank or the end-investor, whereby the custodian bank must state the information on the name and surname (company name), address (headquarters) and personal identification number (OIB) of the end-investor in the subscription form. Otherwise, the investor shall not be entitled to participate in the subscription of New Shares.
- IX. New Shares are issued in the amount of HRK 17.25 (seventeen kuna and twenty-five lipa).
- X. The final amount of increase in share capital will depend on the number of New Shares that will be subscribed and paid. The total amount of subscribed and paid New Shares established in the said way will also represent the exact amount of the increase in the Company's share capital by issuing New Shares. The Management Board of the Company shall, with the consent of the Supervisory Board, determine the exact amount of the increase in share capital and the exact number of New Shares. After the increase in the share capital based on this Decision, the Supervisory Board of the Company is hereby authorised to align the provisions of the Company's Statute on the amount of the share capital and the number of shares in the full text of the Statute with changes caused by the increase in the share capital and the issuance of New Shares.
- XI. In case of overpayment by an individual shareholder, the respective funds will be returned to the said shareholder within seven working days after the expiration of the deadline for subscription and payment of New Shares, to the number of cash account stated by the shareholder in the subscription form. In the said case the Company shall not be liable to cover any payment transaction costs or any other expenses incurred to the shareholder based on the execution of the transaction, nor shall the Company pay to shareholders any interests for the period from the payment of the funds to the Company's account to the moment of returning the funds to the shareholder.
- XII. New Shares will be listed in the official market of the Zagreb Stock Exchange d.d., in accordance with relevant regulations.
- XIII. If the increase in share capital is not entered in the court registry within twelve months from the date of adoption of this Decision, the subscription forms cease to be binding for subscribers and payments made will be returned to shareholders without delay. In this case, the increase in share capital shall not be considered successfully conducted.
- XIV. For issues not regulated by this Decision, the appropriate provisions of applicable laws and the Company's Statute shall apply.

XV. The Company's share capital will be considered increased from the date of entering this increase in the Court Registry of the Commercial Court in Rijeka.

The Company's Management Board and the President of the Supervisory Board are responsible for taking all necessary actions for entering this Decision into the Court Registry of the Commercial Court in Rijeka and in the depository of the Central Depository and Clearing Company d.d.

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The right to participate at the General Assembly shall be held by the Company's shareholders or their representatives or proxies on the basis of a written power of attorney, which shall, in writing, report their participation to the Company at the address of the headquarters no later than 17 August 2018.

The Company's shareholder is each entity entered in the Stock Register on 17 August 2018, according to the list drafted by the Central Depository and Clearing Company d.d. at the end of working time on the said date.

The power of attorney must contain the total number of shares, i.e. the number of available votes and the authorisation of the proxy to participate in the work of the General Assembly and vote.

Materials for the General Assembly serving as the basis for decision making shall be available to shareholders at the Company's headquarters in the Legal Service from 1 August 2018 from 10.00 to 12.00 hours.

Shareholders of the Company who together own shares in the amount of one-twentieth of the share capital of the Company have the right to require an item to be placed on the agenda of the General Assembly and publishing thereof at their request. Such request must contain an explanation and a proposal of the decision and must be received by the Company at least 30 days before the General Assembly, whereby the day of receipt of such request by the Company is not counted within the said deadline.

Each shareholder of the Company has the right to file a counter-proposal to proposal of the decision given to the General Assembly by the Company's Management Board and/or the Supervisory Board, including a proposal of a shareholder to elect a Supervisory Board member or to appoint the Company's auditor. Such request must be received by the Company at least 14 days before the General Assembly (whereby the non-use of this right does not result in the loss of the right to file a counter-proposal at the General Assembly of the Company). If a request is filed within the above deadline, the Company's Management Board shall submit such request to all persons specified in Art.

281 of the Companies Act, except in cases referred to in Art. 282, par. 2 and Art. 283 of the Companies Act.

Each shareholder of the Company has the right to request the Management Board of the Company at the General Assembly to provide information/notification on the Company's business if this is necessary for judging the issues from the agenda of the General Assembly, except in cases referred to in Art. 287 par. 2 of the Companies Act.

Notifications from Art 280a of the Companies Act shall be available at the Company's web site ([www.jadran-crikvenica.hr/](http://www.jadran-crikvenica.hr/)).

If no quorum is reached, the next Assembly will be held on 3 September 2018, at the same time and in the same place.

**JADRAN d.d.**  
**Crikvenica**

**DRAFT**