

Pursuant to Article 277 of the Companies Act (OG 152/11 - consolidated text, 111/12, 68/13, 110/15, 40/19) and in accordance with the Articles of Association of JADRAN d.d., Crikvenica, Bana Jelačića 16 (hereinafter: "Company"), the Management Board of the Company convenes the General Assembly and announces the invitation for

REGULAR GENERAL ASSEMBLY OF JADRAN d.d.

- I. The General Assembly of JADRAN d.d. with its registered office in Crikvenica, Bana Jelačića 16 (hereinafter: Company) will take place on August 31, 2020 (Monday) at 10.00 am in the congress hall of the Omorika Hotel in Crikvenica, Milovana Muževića 20.
- II. The following is determined and announced for the session of the General Assembly

Agenda:

1. Opening of the General Assembly and determination of the quorum, a compilation of the list of present and represented shareholders with the appointment of the Chairman of the Assembly
2. Annual financial statements of the Company and annual consolidated financial statements of the Group for 2019 with reports of certified auditors, Annual Report of the Management Board on the status of the Company and its subsidiaries for 2019 and Report of the Company's Supervisory Board on the supervision of Company's operations in 2019
3. Adopting a decision on the determination of losses for 2019
4. Adopting a decision approving the work (giving a discharge) to the members of the Management Board in the management of the Company for 2019
5. Adopting a decision approving the work (giving a discharge) to the members of the Supervisory Board for 2019
6. Adopting a decision on the appointment of the Company's auditors for 2020.
7. Adopting a decision on amending the Statute

Proposals of decisions of the Assembly on the following items on the agenda:

Ad 1. *It is proposed to the General Assembly to accept the proposal of the invitation and the decision of the regular General Assembly.*

The General Assembly will be chaired by the attorney at law Hrvoje Vukić from Rijeka.

Ad 2. *The annual financial statements of the Company and the annual consolidated financial statements of the Group for 2019 with the reports of certified auditors and the Annual Report of the Company's Management Board on the status of the Company and its subsidiaries for 2019 under Article 300d of the Companies Act were determined by the Company's Management Board*

and Supervisory Board and are not voted on. These reports were published at the Zagreb Stock Exchange, HANFA, HINA, and on the Company's website.

Ad 3. *The decision on determining the loss for 2019 is accepted*

The Decision establishing that the Company incurred an operating loss in the amount of 4,774,369 in the business year ended December 31, 2019, which loss will be covered from future expected profit, is noted.

Ad 4. *Discharge is given to the Management Board of the Company for the business year 2019.*

Ad 5. *Discharge is given to the Company's Supervisory Board members for the business year 2019.*

Ad 6. *The auditing company PricewaterhouseCoopers d.o.o. for Audit and Consulting from Zagreb, Heinzelova 70, is appointed to perform audit in 2020.*

Ad 7.

Decision on amendments to the Statute

Pursuant to the provision of Article 275, paragraph 1, item 6 of the Companies Act (Official Gazette, issue: 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 111/12, 68/13, 110/15 and 40/19) and Article 28 of the Statute of the Company JADRAN, a joint-stock company for the hotel industry and tourism, _____. The General Assembly of JADRAN, a joint-stock company for the hotel industry and tourism, held on _____. 2020, adopted the

DECISION

on Amendments to the Statute of JADRAN, a joint-stock company for the hotel industry and tourism

Article 1

In the Statute of JADRAN, a joint-stock company for the hotel industry and tourism from August 24, 2018, the following articles, paragraphs or indents are changed and/or deleted (as applicable), and the numbering of articles is adjusted so that they now read:

- Article 3 is amended to read as follows:
*"The company name: JADRAN, a joint-stock company for the hotel industry and tourism.
Abbreviated company name: JADRAN d.d."*
- Article 12, paragraph 2, is amended to read as follows:
"The Management Board of the Company comprises three members."
- Article 13 is completely amended to read as follows:
"The Management Board manages the affairs of the Company at its own risk, with the attention of an orderly and conscientious businessperson. In doing so, it is obliged and authorized to take all actions and make decisions that it deems necessary for the successful management of the Company."

The members of the Management Board manage the affairs of the Company and make decisions, as a rule, at the sessions when required by the affairs of the Company. The Management Board may make decisions when at least two of its members are present at the session. Unless otherwise provided by this Statute or the law, decisions on matters conducted by members of the Management Board together shall be made by a simple majority of votes of the present or represented members of the Management Board. In the event that an equal number of votes is cast for a certain decision, i.e., against a certain decision, the vote of the President of the Management Board is decisive, and if they do not attend the session, the vote of their deputy.

Decisions of the Management Board are stated in the minutes from the session of the Management Board. The minutes shall be signed by the President of the Management Board, and in case of them being prevented, by the Deputy President or another member who chaired the session of the Management Board in accordance with the Rules of Procedure of the Management Board.

Unless otherwise provided by this Statute or the law, certain tasks of the Company are managed by the President and members of the Management Board individually and independently based on division of labor between members of the Management Board for certain areas of activity or for a certain range of activities, whereby the President of the Management Board and one member of the Management Board are in charge of performing operational activities, while one member of the Management Board is in charge of performing financial operations of the Company.

The management of the Company, the manner of work of the Management Board and the division of tasks between the members of the Management Board in terms of the previous paragraphs are regulated in more detail by the Rules of Procedure of the Management Board, adopted by the Supervisory Board.

The President of the Management Board has the rights and duties determined by law, this Statute, the Rules of Procedure of the Management Board, and other acts of the Company and decisions of the bodies of the Company. The President of the Management Board convenes the sessions of the Management Board, chairs the sessions of the Management Board, coordinates the management of the Company's affairs, and submits reports to the Supervisory Board and the General Assembly of the Company on behalf of the Management Board.

A member of the Management Board in the management of the Company's business has the powers and responsibilities determined in accordance with the law, this Statute, the Rules of Procedure of the Management Board, and other acts of the Company.

- Article 14, paragraph 1, is amended to read as follows:
"The Management Board of the Company as a body independently represents the Company, in such a way that the Company is represented by two members of the Management Board together."
- In Article 15, a new paragraph 2 is added, which reads:
"By September 30 of each year, the Management Board shall prepare the Company's business plan for the next business year, which must be approved by the Supervisory Board within 21 (twenty-one) days from the date of receipt of the business plan. If the business plan is not approved within the specified period or if the Supervisory Board refuses to approve it, until the moment of its approval, i.e., approval of the new business plan, which the Management Board must submit within 30 (thirty) days after receiving the Supervisory Board decision rejecting the previous business plan, the business plan for the previous year shall be applied and considered valid."

- A new Article 16 is added, which now reads:
"The Management Board may undertake the following legal affairs and/or actions for the Company only based on a unanimous decision of all its members:
 - *concluding any legal transaction equal in value or exceeding the amount of HRK 2,000,000.00 (individually or more related transactions, provided that the related transaction will be considered in particular transactions concluded with the same third party or third parties that are related companies);*
 - *concluding an agreement on credit, loan, or other legal transaction by which replaceable items are given or taken over with the obligation to return and with additional compensation, in which the agreed amount or equivalent exceeds 5% (five percent) of the Company's share capital;*
 - *concluding any legal transaction establishing, changing or terminating rights and/or obligations for the Company which in total exceeds the amount or equivalent of 10% (ten percent) of the Company's share capital, in particular following consecutive legal transactions concluded within three calendar years, between the Company on the one hand and the same third party, i.e., third parties that make up related companies, on the other hand,*
 - *alienation and encumbrance of real estate owned by the Company;*
 - *establishment of companies, establishment, and termination of branches of the Company and acquisition or disposal of business shares and/or shares in other companies, increase and/or decrease of the share capital of these companies, status changes in subsidiaries, except appointment and/or recall of members of their bodies,*
 - *granting or revoking a power of attorney and/or general power of attorney; "*
 - *all other decisions for which the Management Board of the Company requires the consent or approval of the Supervisory Board pursuant to the law, the Articles of Association, or the decision of the Supervisory Board."*
- Article 15.a in paragraph 1, the part *"In addition to the cases when qualified consent referred to in paragraph 3 is required"* shall be added at the beginning, the part, *"i.e., its members"* shall be deleted and the word *"can"* is replaced by *"can,"* the word *"next"* is replaced by *"next,"* and indents 9 and 10 are added, which read:
 - *"Transactions that the Company undertakes with related parties if the value of that transaction alone or together with other transactions undertaken by the Company with a related party in the last 12 (twelve) months before such business is undertaken exceeds 2.5% of the sum of long-term and short-term assets determined in the last annual financial statements, i.e., the sum of long-term and short-term assets of the concern determined by the last consolidated annual financial statements of the parent company of the concern;*
 - *in all other cases when it is prescribed by law."*

and paragraph 3 is added;

"The Management Board of the Company may undertake the following affairs only with the prior consent of the Supervisory Board, which gives such consent based on the decision of a majority of 4 (four) votes of all its members:

- *contracts between the Company and one or all pension funds in the Republic of Croatia which at the time of concluding such a contract are shareholders of the Company, and which contracts exceed the amount of HRK 1,000,000.00 (individually or in several related transactions, provided that the related transaction is in particular considered a transaction concluded with the same third party or third parties that are related companies per year);*
 - *any legal transaction whose value exceeds the amount of HRK 4,000,000.00 (individually or in several related transactions, provided that the transactions concluded with the same third party or third parties that make up the related companies will be considered a related transaction.)"*
- The previous Articles 16 and 17 are completely deleted;
- Article 18 is completely deleted;
- Article 19, paragraph 1 is amended by adding the phrase *"in accordance with the appointment of members of the Management Board, and in an appropriate relationship between the work performed by the member of the Management Board and the state of the Company."*, while paragraph 2 of the article is deleted;
- In Article 20, paragraph 1 is amended to read as follows: *"The Supervisory Board has five members. Four members of the Supervisory Board are elected by the General Assembly of the Company. As long as such an obligation exists under a special compulsory regulation, one member of the Supervisory Board is appointed and recalled by the Company's Workers' Council. If no workers' council has been established in the Company, employees of the Company have the right to appoint and recall one member of the Supervisory Board. In that case, the employees of the Company shall appoint that member of the Supervisory Board by direct and secret voting or in another procedure provided by positive regulations."*,
in paragraph 3, the sentence *"where at least one member of the Supervisory Board must be an expert in accounting or auditing financial statements."* is added at the end,
while paragraph 4 is amended to read as follows: *"Members of the Supervisory Board are elected for a term of 2 (two) years. The General Assembly of the Company may at any time, without giving a reason, recall a member of the Supervisory Board it elected."*
- Article 23, paragraph 1, is amended to read as follows:
"The Supervisory Board adopts and amends the Rules of Procedure with a decision of a majority of 4 (four) votes of all its members, with the consent of the General Assembly. The Rules of Procedure of the Supervisory Board prescribe all issues that require a unanimous decision of the Supervisory Board."
and paragraph 6 is added;
"A session of the Supervisory Board shall be convened and held for decision-making whenever necessary for the Company to comply with all relevant regulations and provisions of this Statute within its competence, within a reasonable time from the date of the event that could lead to such non-compliance."

- Article 26 is completely deleted;
- Article 27 is amended to read as follows:
"Members of the Supervisory Board, for which this is not prohibited by law or other relevant regulation, are entitled to a monthly remuneration for their work in the Supervisory Board in the amount equal to the average monthly remuneration in the Company paid to employees of the Company in the previous year."
- Article 29, paragraph 3 is amended by deleting the part "month" and instead adding the part "thirty days";
- In Article 30, paragraph 1, indent 1 is amended to read as follows *"that they are registered as shareholders of the Company in securities account opened with the Central Depository and Clearing Company at the beginning of the 21st day before the General Assembly, as evidenced by a credible document issued by that company, which they are obliged to attach to the registration"*, while indent 2 is changed in such a way that instead of the part "Registration day" which is deleted, the part "Arrival date of registration to the Company" is added, and paragraph 3 and paragraph 4 are completely erased;
- In Article 31, paragraph 3, the following part is added between the second and third sentences:
"Authorization is given to the Management Board to make a decision that allows shareholders to cast their votes in writing or by electronic communication when they do not participate in person or through a proxy at the General Assembly. If the right to vote is exercised through electronic communication, the Company is obliged to electronically confirm to the person who gave the vote that the given vote has been received."

a paragraph 4 is added, which reads:
"The Company's Management Board is authorized to allow the General Assembly to be transmitted by audibly and visually."
- In Article 33, paragraphs 6 and 7 are completely deleted;
- Article 36 is completely deleted;
- Article 37, paragraph 5, is amended to read as follows:
"The General Assembly decides on the appointment of the Company's auditor from among internationally recognized auditing companies that will audit the Company's financial statements in accordance with international auditing standards, and under applicable Croatian laws and accounting standards. The auditor of the Company is also obliged to participate in the work of the session of the Supervisory Board and its committee at which the annual financial statements are examined, with the obligation for the Supervisory Board to report on its report and provide the required explanations."
- Article 38, paragraph 4 is amended by deleting the part "during the business year" and instead stating "after the end of the business year";
- Article 39 is completely amended to read as follows:
"The following are considered business secrets of the Company:
 - *all data and documents related to the Company's operations or the work of employees, the disclosure of which to unauthorized persons would be contrary to the interests of the Company;*

- *all data and documents related to the Company's operations or the work of employees designated as such by the person who communicates them and in which, with due consideration, the danger that such publication would endanger the interests of the Company cannot be ruled out;*
 - *any fact that is directly or indirectly related to the Company's operations and is otherwise known only to a limited number of persons and for which it should be concluded with due consideration that its secrecy is necessary or beneficial for the Company;*
 - *all data and documents declared by the competent body of the Company as a business secret and those which a body of the Company discloses to the Company as confidential;*
 - *especially bids and applications for tenders until the publication of tender results, research results, documents and data on the conduct of commercial business relations, relations with business partners and users of the Company, overall know-how of the Company, and salary and data considered personal data of individual employees of the Company, as well as members of the Company's bodies;*
 - *certain information that, based on the criteria from the Law on the Protection of Unpublished Information with Market Value, i.e., another valid regulation, is to be considered a business secret."*
- Article 40, paragraph 1 is amended so that after the part "*members of the Company's bodies*" the part is added "*persons who, by invitation, attend the sessions or assemblies of these bodies or their commissions, who have the express obligation to keep business secrets, and employees of the Company*", while the part "*employees of the Company*" is deleted, in paragraph 1 between the first and second sentences the following sentence is added: "*Members of the Company's bodies who intend to give information about the Company that could be considered a business secret to a third party, are obliged to inform that body in advance, as well as about the person to whom they intend to give such information, which will assess whether giving such information is in accordance with the provisions of Article 36 and this Article of the Statute. "*, while paragraph 4 is amended by adding the words "*or extraordinary*" after the word "*regular*";
- In Article 41, paragraph 2 is completely deleted;
- Article 42 is amended to read as follows:
"On the day this Statute enters into force, the Statute dated August 24, 2018, shall cease to be valid."
- Article 43 is amended by adding "*and signed by the President of the General Assembly*" at the end of the sentence before the full stop.

Article 2

All other provisions of the Statute of JADRAN, a joint-stock company for the hotel industry and tourism from August 24, 2018, remain unchanged.

Article 3

This Decision on Amendments to the Articles of Association of JADRAN, a joint-stock company for the hotel industry and tourism dated August 24, 2018, enters into force and shall apply on the day of entry in the court register.

Article 4

The Supervisory Board is authorized to determine the full text of the Statute of JADRAN, a joint-stock company for the hotel industry and tourism, which contains amendments to the Statute adopted at this General Assembly and the full text of the Statute of August 24, 2018.

The Supervisory Board shall submit the full text of the Articles of Association referred to in the previous paragraph of this Article to the notary public for confirmation.

Article 5

The Supervisory Board shall harmonize the number of members of the Management Board in accordance with the amendments to the Articles of Association and the Rules of Procedure of the Management Board referred to in Article 13 of the Statute and the Rules of Procedure referred to in Article 22 of the Statute shall be adopted without delay, no later than 90 (ninety) days from the day the Statute enters into force.

President of the General Assembly

The shareholders of the Company or their representatives or proxies have the right to participate in the General Assembly on the basis of a written power of attorney who register their participation in writing to the Company at the registered office no later than August 24, 2020.

A shareholder of the Company is considered to be any entity registered in the Book of Shares on August 24, 2020, according to the list compiled by the Central Depository and Clearing Company d.d. at the end of business hours that day.

A power of attorney must contain the total number of shares, i.e., the number of votes at its disposal and the authorization of the proxy to participate in the work of the General Assembly and vote.

Materials for the General Assembly, which serve as a basis for decision-making, will be available to shareholders for inspection at the Company's headquarters in the Secretariat of the Management Board from August 3, 2020, from 10.00 to 12.00.

The shareholders of the Company who together have shares in the amount of one twentieth of the share capital of the Company have the right to request that an item be placed on the agenda of the General Assembly and that their request be published. Such a request must have an explanation and a proposed decision and must be received by the Company at least 30 days before the General Assembly, which does not include the day of receipt of the request by the Company.

Each shareholder of the Company has the right to submit a counter-proposal to the proposal of the decision submitted to the General Assembly by the Management Board and/or the Supervisory Board, including the proposal of the shareholders to elect a member of the Supervisory Board or appoint an auditor. Such a request must be received by the Company at least 14 days before the day of the General

Assembly (where the non-exercise of this right does not result in the loss of the right to submit a counter-proposal at the General Assembly of the Company). If the request is submitted within the specified deadline, the Management Board of the Company will deliver such a request to all persons listed in Article 281 of the Companies Act, except in cases from article 282 paragraph 2 and Article 283 of the Companies Act.

Each shareholder of the Company has the right to request that the Management Board of the Company at the General Assembly give them information on the affairs of the Company if necessary to assess the issues on the agenda of the General Assembly, except in cases provided in Article 287 paragraph 2 of the Companies Act.

Notices from Article 280a of the Companies Act will be available on the Company's website (www.jadran-crikvenica.hr/).

If the General Assembly convened on August 31, 2020, does not have the quorum specified in Article 33 of the Articles of Association, the next General Assembly will be held on September 7, 2020 at 10.00 am at the same place and with the same agenda. This General Assembly will take place, and valid decisions will be made regardless of the number of shareholders represented.

JADRAN d.d.
Crikvenica