

Pursuant to Article 277 of the Companies Law ("Official Gazette" no. 152/11 – cleared text, 111/12, 68/13 and 110/15), and the PODRAVKA Inc. Management Board Resolution of 25<sup>th</sup> April 2018, is announced

## INVITATION

### TO THE GENERAL ASSEMBLY OF PODRAVKA Inc.

**I. General Assembly of PODRAVKA Inc., headquartered in Koprivnica, A. Starčevića 32 (hereinafter: Company) will be held in Koprivnica, on 12<sup>th</sup> June 2018 (Tuesday), at 12 a.m. in the conference hall of Company headquarters in Koprivnica, A. Starčevića 32 Street.**

II. For this General Assembly it is hereby determined and published the following

Agenda:

1. Opening of the General Assembly, determination of present and represented shareholders and their proxies;
2. Annual financial reports for the Company and Annual consolidated financial reports for Podravka Group for the business year 2017 together with authorized auditor's report and the Annual Report by Company Management Board on business operations of the Podravka Group and the status of the Company in 2017, and the Company Supervisory Board's report on performed supervision over Company business in 2017;
3. Passing a Resolution on the Company profit distribution for the business year 2017;
4. Passing a Resolution on discharging the Company Management Board members for the business year 2017;
5. Passing a Resolution on discharging the Company Supervisory Board members for the business year 2017;
6. Passing a Resolution on changes and amendments of the Company Articles of Association;
7. Passing a Resolution on election of the Company Supervisory Board members;
8. Passing a Resolution on appointing the Company auditors for the business year 2018 and determination of their fee.

III. The Company share capital has been divided to 7,120,003 regular shares, of individual nominal amount of HRK 220.00, registered at the computer system of the Central Depository & Clearing Company under the ticker PODR-R-A. Each regular share provides one vote at the General Assembly. All shareholders of PODRAVKA Inc. are entitled to attend and vote at the General Assembly (1 share = 1 vote), who have been entered into the computer system kept by the Central Depository & Clearing Company six days before the General Assembly is being held, i.e. on 5<sup>th</sup> June 2018 as the last day to apply to participate in the work of the General Assembly, and who have by that day – i.e. by 5<sup>th</sup> June 2018 by 4.00 p.m. provided notice of attendance and intention on participating in work of this Assembly to the Company.

IV. Shareholders may attend and vote at the General Assembly in person or through a proxy. Authorizations for participation and exercising the right to vote at the General Assembly are provided in written form.

Shareholders may be represented by proxies under the condition they have valid powers of attorney issued by shareholders, or in behalf of shareholders being legal entities, and by persons authorized for representation pursuant to provisions in Article 28 of the Company Articles of Association.

V. Notice of attendance to be valid must contain, and be attached by:

a) shareholders – natural persons:

– name and surname, residence, PIN, account no. at CDCC and total number of shares (no. of votes at the General Assembly).

c) shareholders – legal entities:

– company, legal entity name, headquarters and residence, PIN, account no. at CDCC and total number of shares (no. of votes at the General Assembly).

– photocopy of an excerpt from court or any other register of authorized persons for representation of that legal entity in the current year,

– proxy's power of attorney for representation of legal entity (if legal entity is not represented by a person authorized for representation pursuant to legal provisions).

b) proxies of shareholders – natural persons:

– name and surname, residence and proxy PIN;

– list of shareholders they represent, for each of them no. of account opened at the CDCC and the total number of shares (number of votes at the General Assembly) of all the represented shareholders;

– attached to the application are all individual powers of attorney on the recommended form.

d) proxies of shareholders – natural persons:

– company, i.e. name of the legal entity, headquarters and address and PIN of the proxy;

– list of shareholders they represent, for each of them no. of account opened at the CDCC and the total number of shares (number of votes at the General Assembly) of all the represented shareholders;

– attached to this application are individual powers of attorney in written forms, and if the shareholder is a legal entity, attached is the photocopy of the excerpt from the court register or some other register from the current year in which this legal entity is registered, certified transcript or other public document showing that the power of attorney was signed by the person lawfully authorised to represent that legal entity.

VI. Application for participation at the General Assembly and the powers of attorney, along with all the attachments have to be in Croatian language, and if they are in foreign language they need to be attached with a translation to Croatian language by the registered court interpreter.

Shareholders, representatives and proxies of shareholders who fail to meet obligations to give proper notice of attendance at the General Assembly pursuant to this Invitation, shall not be entitled to attend and make decisions at the General Assembly of the Company.

VII. Pursuant to provision in Article 28, item 4 of the Company Articles of Association, Koprivnica, shareholders, their proxies and representatives shall bear expenses of their attendance at the General Assembly.

VIII. At the Company web-site [www.podravka.com](http://www.podravka.com), as of the day this Invitation to the General Assembly is published, the following forms are available: application for participation at the General Assembly, recommended form of the power of attorney, recommended form of the recall of the existing power of attorney, the Company Supervisory Board's report on performed supervision over

Company business operations in 2017 and other information and material proscribed by the Article 280.a of the Companies Law.

IX. This invitation and draft resolutions which are being proposed to the General Assembly by the Company Supervisory and Management Boards will be published on the register web-site of Commercial Court in Varaždin, HINA and web-site of the Zagreb Stock Exchange ([www.zse.hr](http://www.zse.hr)), HANFA ([www.hanfa.hr](http://www.hanfa.hr)) and the Company ([www.podravka.hr](http://www.podravka.hr)). All the relevant data and documents related to the agenda of the Company General Assembly will be available to the shareholders at the Company headquarters, at the headquarters helpdesk working days from 10 to 14, and at the Company web-site as of the day this invitation is publicly announced.

X. Shareholders jointly having shares amounting to 5% of the Company share capital, can request in writing that a subject be placed on the Agenda of the General Assembly. The request in question, along with its explanation and proposed Resolution, the Company needs to receive at least 30 days prior to holding of the General Assembly, or on 12<sup>th</sup> May 2018 at the latest.

Stating their name and last name, each shareholder has been authorized to submit a counter-proposal and an explanation to the proposed resolutions of the Management and Supervisory Boards, referring to the items on the agenda and deliver it to the Company's address at least 14 days prior the General Assembly is being held, or on 28<sup>th</sup> May 2018 at the latest. Missing this deadline does not have a repercussion in loosing the right to place the counter-proposal at the General Assembly.

It is the obligation of the Management Board to provide an explanation to shareholders questions at the General Assembly on business operations of the Company, if such explanation is necessary for resolving issues on the Agenda.

XI. Participants in the General Assembly are kindly invited to arrive to the reception desk of the Company at least one hour earlier than the specified time of the General Assembly for the purpose of registration and delivery of materials for participation at the General Assembly.

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

XII. If a quorum is not present at the General Assembly called for the 12<sup>th</sup> June 2018, as provided in Article 29 of the Company Articles of Association, the next General Assembly will be held on 19<sup>th</sup> June 2018 at 12 a.m. at the same venue and with the same agenda. This General Assembly will be held and valid resolutions will be passed regardless of the number of present and represented shareholders.

## **DRAFT RESOLUTIONS**

Ad 2) Annual financial statements of Podravka Inc. and Annual consolidated financial statements by Podravka Group for the business year 2017 with reports by authorised auditors based on Article 300 d of the Companies Law have been verified by the Company Management and Supervisory Boards and they are not subject to voting. The stated financial statements have been published at the Zagreb Stock Exchange, HANFA, HINA and Company web site ([www.podravka.com](http://www.podravka.com)).

The Company Supervisory Board's report on performed supervision over Company business operations in 2017 has been published at Company web site and there can be a discussion under this item, but the General Assembly makes no resolutions.

### **Ad 3) Passing a Resolution on the Company profit distribution for the business year 2017:**

I

Net profit of the company PODRAVKA Inc., M.B. 03454088, OIB 18928523252 (hereinafter: the Company) for the business year 2017 stated in the audited Annual Financial Statements of the Company, amounts HRK 86,437,219.04.

## II

The net profit of the Company for year 2017 shall be allocated as follows:

- legal reserves in the amount of HRK 4,321,860.95.

## III

It is approved that dividend to shareholders of the Company, owners of ordinary shares, shall be paid out in the gross amount of HRK 7.00 (seven kunas) per share.

Dividend shall be paid out to all shareholders that are registered as shareholders at the Central Depository & Clearing Company Inc. on July 12<sup>th</sup> 2018 (record date).

Date on which securities of the Company will be traded without dividend payment right is July 11<sup>th</sup> 2018 (ex date).

Dividend payment claim will be due on August 10<sup>th</sup> 2018 (payment date).

## IV

After the net profit of the Company was being allocated in accordance with item II and III of this Decision Proposal, the remaining part of net profit shall be carried to other reserves.

The amount of dividend accounted for the Company's treasury shares shall be retained in undistributed profit.

### **Ad 4) Passing a Resolution on discharging the Company Management Board members for the business year 2017:**

Discharge is given to the members of the Company Management Board in respect of their duties carried out in managing the Company in 2017.

### **Ad 5) Passing a Resolution on discharging the Company Supervisory Board members for the business year 2017:**

Discharge is given to the members of the Company Supervisory Board by which their duties and supervision over managing Company business operations in the business year 2017 have been approved.

### **Ad 6) Passing a Resolution on changes and amendments of the Company Articles of Association:**

#### I

The Articles of Association of PODRAVKA Inc. (hereinafter: Articles of Association) is changing and amending as follows:

#### Article 1

Amending Article 6 of the Articles of Association named „Scope of activities“ the Company shall perform besides the aforementioned activities as follows:

- ❖ *verification of lawful measuring instruments and/or activities regarding preparation of lawful measuring instruments for verification.*

#### II

Other provisions of the Articles of Association remained completely unchanged.

III

This Decision on changes and amendments to the Articles of Association will entry into effect and is applied as of the day it is entered in the register of Commercial court in Varaždin.

IV

The Management Board is authorised to establish the purified text of the Articles of Association in compliance with this Decision.

**Ad 7) Passing a Resolution on electing the Company Supervisory Board members:**

I

It is hereby determined that for the Supervisory Board members of PODRAVKA Inc.:

1. Dubravko Štimac,
2. Petar Vlaić,
3. Petar Miladin,
4. Luka Burilović,
5. Marko Kolaković,
6. Slavko Tešija i
7. Damir Grbavac

their membership at PODRAVKA Inc. Supervisory Board is terminated on 7<sup>th</sup> September 2018, as their term is expired.

II

Members elected to PODRAVKA Inc. Supervisory Board are:

1. Dubravko Štimac, M. Econ., Zagreb, Stupnička 18, OIB: 40402971482,
2. Petar Vlaić, B. Sc. Eng., Zagreb, Ljubijska 85, OIB: 95645311308,
3. prof. Petar Miladin, PhD., Zagreb, Zelengaj 77, OIB: 88899511525,
4. Luka Burilović, univ. spec. oec., Vinkovci, Vijenac Jakova Gotovca 23, OIB: 09991752217,
5. prof. Marko Kolaković, PhD., Samobor, Gradišće 48, OIB: 05780180941,
6. Slavko Tešija, mr. sc., Zagreb, Zdenački zavoj 66, OIB: 55337489919 i
7. Damir Grbavac, M. Econ., Samobor, Andrije Bijankinija 27, OIB: 79690397796.

The term of the elected members to PODRAVKA Inc. Supervisory Board from paragraph 1) of this item begins on 8<sup>th</sup> September 2018 and lasts 4 (four) years.

**Ad 8) Passing a Resolution on appointing the Company auditors for the business year 2018 and determination of their fee:**

I

The financial statements of the parent company PODRAVKA Food Processing Industry Inc. Koprivnica and of its affiliated (subsidiary) companies, along with consolidated financial statements of the PODRAVKA Group for the business year 2018 shall be audited by the authorised auditor: KPMG Croatia Ltd. headquartered in Zagreb, Eurotower, Ivana Lučića 2a/17.

II

The Management Board of Podravka Inc. is authorized to enter in appropriate agreements on auditing with the above mentioned Auditing Company and to determine remuneration for their service.

Podravka Inc.  
Koprivnica