

Pursuant to Article 277 of the Companies Law ("Official Gazette" no. 152/11 – cleared text, 111/12, 68/13 and 110/15), and the Resolution on convening the General Assembly of PODRAVKA Inc. of 13<sup>th</sup> June 2016, PODRAVKA Inc. Management Board announces this

## **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 22<sup>nd</sup> July 2016 (Friday), 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 2015 together with authorized auditor's report and opinion and the Annual Report by Company Management Board on business operations of the Podravka Group and the state of the Company in 2015, and the Company Supervisory Board's report on performed supervision over Company business in 2015;
3. Passing a Resolution on the Company profit distribution for the business year 2015;
4. Passing a Resolution on discharging Company Management Board members for the business year 2015;
5. Passing a Resolution on discharging Company Supervisory Board members for the business year 2015;
6. Passing a Resolution on electing Company Supervisory Board members;
7. Passing a Resolution on appointing Company auditors for the business year 2016 and determination of their fee;

III. 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 15<sup>th</sup> July 2016 as the last day to apply to participate in the work of the General Assembly, and who have by that day – i.e. by 15<sup>th</sup> July 2016 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 for the power of attorney, recommended form of the recall of the existing power of attorney, Management Board report on the reasons for partial exclusion of the right of precedence on subscription of new shares 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 Supervisory and Management Boards will be published in the Official Gazette, 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 21<sup>st</sup> June 2016 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 07<sup>th</sup> July 2016 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 two hours 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 22<sup>nd</sup> July 2016, as provided in Article 29 of the Company Articles of Association, the next General Assembly will be held on 27<sup>th</sup> July 2016 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 reports of Podravka Inc. and Annual consolidated financial reports by Podravka Group for the business year 2015 with reports and opinions 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 reports 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 2015 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 2015**

#### **I**

It is determined that net profit of PODRAVKA Inc., M.B. 03454088, OIB 18928523252 (hereinafter: the Company) for the business year 2015 stated in the audited Annual Financial Statements of the Company, amounts HRK 156.971.805,75.

#### **II**

The stated profit of the Company for year 2015 shall be allocated to:

- accumulated loss coverage in the amount of HRK 56.821.344,31
- legal reserves in the amount of HRK 5.007.523,07.

#### **III**

It is accepted that dividend to shareholders of PODRAVKA Inc., owners of ordinary shares under the ticker PODR-R-A, shall be paid out in the gross amount of 7.00 HRK (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 August 19<sup>th</sup> 2016 (record date).

Date on which securities of the Company will be traded without dividend payment right is August 18<sup>th</sup> 2016 (ex date).

Dividend payment claim will be due on September 16<sup>th</sup> 2016 (payment date).

#### **IV**

A part of the retained earnings of the Company from the business year 2015 shall be used for dividend payment according to item III of this Proposal of Decision.

#### **V**

After the net profit of the Company is being allocated according to item II and III of this Proposal of Decision, the last part of net profit shall be carried to other reserves.

Accounted amount of dividend for treasury shares of the Company shall be allocated to retained earnings.

### **Ad 4) Passing a Resolution on discharging Company Management Board members for the business year 2015**

Discharge is given to the members of the Company Management Board in respect of their duties carried out in managing the Company in 2015.

**Ad 5) Passing a Resolution on discharging Company Supervisory Board members for the business year 2015**

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 2015 have been approved.

**Ad 6) Passing a Resolution on electing Company Supervisory Board members**

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

1. Milan Stojanović, MA in retirement, Sisak and
2. Ivana Matovina, B. Sc. Econ., Zagreb

their term at the Supervisory Board of PODRAVKA Inc. ended on 06<sup>th</sup> July 2016, after their term expired.

II

Members elected to PODRAVKA Inc. Supervisory Board are:

1. Milan Stojanović, MA in retirement, Sisak and
2. Ivana Matovina, B. Sc. Econ., Zagreb.

Term of the elected Supervisory Board members of PODRAVKA Inc. begins as of 22<sup>nd</sup> July 2016 and lasts 1 (one) year.

**Ad 7) Passing a Resolution on appointing Company auditors of for the business year 2016 and determination of their fee**

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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 2016 shall be audited by the authorised auditor: KPMG Croatia Ltd. headquartered in Zagreb, Eurotower, Ivana Lučića 2a/17.

II

The Management Board of Podravka d.d. 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