



Pursuant to Article 277 of the Companies Act (Official Gazette No. 152/11-clear version and 111/12) and the Decision on convening the General Assembly of PODRAVKA Inc., dated 26<sup>th</sup> April 2013, Management Board of PODRAVKA Inc. hereby made public this

## **INVITATION to the General Assembly of PODRAVKA Inc.**

I. The **GENERAL ASSEMBLY** of PODRAVKA Inc. has been convened

**on June 20<sup>th</sup> 2013 (Thursday) at 12.00 a.m.**  
**at the Conference Hall of PODRAVKA Inc.**  
**A. Starčevića Street 32, Koprivnica**

II. Hereby it has been established and made public the following

### **AGENDA FOR THE GENERAL ASSEMBLY:**

1. Opening of the General Assembly, determination of present and represented shareholders and their proxies;
2. Annual Financial Statements of Podravka Inc. and Annual Consolidated Financial Statements of Podravka Group for the business year 2012 together with authorized auditor's report and opinion, Annual Report by Management Board of Podravka Inc. on business operations of the Podravka Group and the Status of the Company in 2012 and the Supervisory Board's Report on performed supervision of Podravka Inc. managing business operations in 2012;
3. Passing a Decision on the loss coverage for the business year 2012;
4. Release to the Members of the Management Board of Podravka Inc. for the business year 2012;
5. Release to the Members of the Supervisory Board of Podravka Inc. for the business year 2012;
6. Passing a Decision on the simplified reduction of the Company's share capital due to loss coverage;
7. Passing a Decision on changes and amendments of the Articles of Association of Podravka Inc. Koprivnica;
8. Passing a Decision on the appointment of an Auditor of Podravka Inc. for the business year 2013 and determination of their fee.

III. The Company's share capital has been divided into 5,420,003 ordinary shares, each in individual nominal amount of HRK 300.00, registered at the Central Depository & Clearing Company under PODR-R-A. Each ordinary share provides the right for one vote at the General Assembly. The right to attend and to vote at the General Assembly (1 share = 1 vote), have all those shareholders of PODRAVKA Inc. who have been entered into the computer system kept by the Central Depository & Clearing Company six days prior to the date on which the General Assembly has been convened, i.e. on 13<sup>th</sup> June 2013 provided that notice of attendance and intention on participating in work of this Assembly has been given to the Company not later than 13<sup>th</sup> June 2013 at 4.00 p.m.



- IV. Shareholders may attend and vote at the General Assembly in person or through a proxy. Powers of attorney for attendance and exercise of right to vote shall be issued in writing.  
Shareholders may be represented by proxies provided they have valid powers of attorney issued by shareholders, or on behalf of shareholders being legal entities, and by persons authorized for representation pursuant to provisions in Article 28 of the Articles of Association of PODRAVKA Inc. Koprivnica.
- V. Shareholders of PODRAVKA Inc., representatives of shareholders and proxies shall give notice of attendance and exercise of right to vote at the General Assembly in writing not later than 13<sup>th</sup> June 2013 at 4.00 p.m. (six days prior to the meeting of the General Assembly) to the following address:

**PODRAVKA Inc.  
Secretariat of Podravka Group  
Ante Starčevića Street 32  
48000 KOPRIVNICA**

Notice of attendance (to be valid) must contain, and be attached by:

**a) Shareholders – natural persons:**

- I. name and surname, home address, citizen identification number (OIB) and number of shares held (number of votes at the General Assembly);

**b) Proxies of shareholders – natural persons:**

**b/1. Proxies – natural persons:**

- name and surname, home address, and number of shares held (number of votes at the General Assembly) they have been authorized to represent,
- attached to the notice: individual powers of attorney issued by shareholders (forms distributed to shareholders);

**b/2. Proxies – legal entities:**

- name of company, or name of legal entity, its domicile and address, total number of shares (number of votes at the General Assembly) they are representing
- copy of a court register or any other register on registration of the persons authorized to represent legal persons, from current year,
- attached to the notice: individual powers of attorney in writing, containing: name and surname of the shareholder, address or domicile, OIB citizen identification number and the number of shares they own, and if the shareholder is a legal person, what is also delivered is the copy of a court register or any other register where the legal entity is registered, or other public identification showing that the power of attorney was signed by the person legally authorized to represent that legal person, from current year;

**c) Shareholders – legal entities:**

- company, or name of legal entity, domicile and address, citizen identification number (OIB) and the number of shares (number of votes at the General Assembly),
- copy of a court register or any other register on registration of the persons authorized to represent that legal person, from 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 the law).

- 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 made by the registered court interpreter.



Shareholders, representatives and proxies of shareholders who will 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 PODRAVKA Inc.

- VII.** Pursuant to the provisions of Article 28, paragraph 4 of the Articles of Association of PODRAVKA Inc. Koprivnica, shareholders, their proxies and representatives shall bear the expenses of their attendance at the General Assembly.
- VIII.** This Invitation and resolution proposals that the Management and Supervisory Board of PODRAVKA Inc. are proposing to the General Assembly will be published in the "Official Gazette", at the Zagreb Stock Exchange, HANFA, HINA and the Company web site: [www.podravka.com](http://www.podravka.com). All the relevant information and documents related to the General Assembly Agenda will be available to shareholders at PODRAVKA Inc. headquarters, at the reception desk, every business day from 10.00 a.m. to 2.00 p.m., as well as on the Company web site, since the day this Invitation has been made public.
- IX.** The shareholders jointly having shares amounting to 5% of the Company's share capital may request in writing that certain subject is placed on the Agenda of the General Assembly. Such request, along with its explanation and proposed decision, needs to be received by the Company at least 30 days prior to the date of the General Assembly, or on 20<sup>th</sup> May 2013 at the latest.  
Each shareholder is entitled to submit a counter-proposal to the proposed decisions of the Management and Supervisory Boards referring to the specific items on the agenda and deliver such counter-proposal to the Company at least 14 days prior the General Assembly is being held, or on 5<sup>th</sup> June 2013 at the latest. Missing this deadline does not have for consequence the losing of the right to place the counter-proposal at the General Assembly.  
It is an obligation of the Management Board to provide, on request of the shareholders, an explanation at the General Assembly on business operations of the Company, when this is needed for resolving issues on the Agenda.
- X.** The Participants in the General Assembly are kindly invited to arrive at the reception desk of the Company headquarters two hours earlier than scheduled time of the General Assembly in order to that registration list of participants could be duly made and materials for participation at the General Assembly could have been delivered.  
The public is excluded from the work of the General Assembly.
- XI.** If a quorum is not present at the General Assembly on 20<sup>th</sup> June 2013, as provided in Article 29 of the Articles of Association of PODRAVKA Inc. Koprivnica, the General Assembly will be adjourned and held on 28<sup>th</sup> June 2013 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.

## **DECISIONS PROPOSED TO THE GENERAL ASSEMBLY OF PODRAVKA Inc.**

### **Item 2 on the Agenda:**

The Annual Financial Statements of PODRAVKA Inc. and Annual Consolidated Financial Statements of Podravka Group for the business year 2012 together with the



Reports and opinion of the authorized Auditors based on Article 300d of the Company Act have been adopted by the Management Board and Supervisory Board of PODRAVKA Inc. and are not a matter of voting. The stated financial statements have been published at the Zagreb stock Exchange, HANFA, HINA and the Company web site: [www.podravka.com](http://www.podravka.com)

Supervisory Board's Report on performed supervision of Podravka Inc. managing business operations in 2012, has been published at the Company web site and thus the discussion may take place under this item, but the General Assembly makes no decisions.

**The Management Board and the Supervisory Board of PODRAVKA Inc. propose to the General Assembly to pass the following decisions (items 3, 4, 5, 6 and 7):**

**Item 3 on the Agenda:**

I

The loss of Podravka Inc., M.B. 03454088, OIB 18928523252 (hereinafter: the Company) stated in the audited Annual Financial Statements of the Company for the business year 2012 amounts HRK 20,690,808.64.

II

The loss of the Company for 2012 in amount of HRK 7,932,559.53 shall be covered on account of the Company legal and other reserves, and the remaining portion of the loss in amount of HRK 12,758,249,11 shall be covered by reduction of the Company share capital.

**Item 4 on the Agenda:**

Release is given to the Members of the Management Board of PODRAVKA Inc. in respect of their duties carried out in managing the company PODRAVKA Inc. in the business year 2012.

**Item 5 on the Agenda:**

Release is given to the Members of the Supervisory Board of PODRAVKA Inc. by which their duties and supervision over business operations management of PODRAVKA Inc. in the business year 2012 have been approved.

**Item 6 on the Agenda:**

1. The company Podravka Inc. is entered in the court register of Commercial Court in Varaždin under Entrance Code Number of Subject No 010006549, OIB:18928523252 (hereinafter: the Company). The share capital of the Company is paid in full and amounts to HRK 1.626.000.900,00 (in words: one billion six hundred twenty-six million and nine hundred), divided in total of 5.420.003 (in words: five million four hundred twenty thousand and three) ordinary shares, each in nominal amount of HRK 300,00 (in words: three hundred).
2. The loss of the Company for 2012 as stated by Annual Audited Financial Statements on 31<sup>st</sup> December 2012 amounts HRK 20.690.808,64 and the accumulated loss of the Company from previous period amounts HRK



511.133.833,40, so that the total loss of the Company as of 31<sup>st</sup> December 2012 amounts HRK 531.824.642,04 and KPMG Croatia Ltd, the Company's auditor,

confirmed by its Report and opinion such total amount of the loss as of 31<sup>st</sup> December 2012, by which the preconditions stipulated under Article 349 of the Company Law for the decision on simplified reduction of the Company share capital have been met.

3. The portion of the loss for 2012 in amount of HRK 7.932.559, 53 is covered against legal and other Company reserves.  
The remaining amount of loss for 2012 in amount of HRK 12.758.249,11 and amount of the accumulated loss from previous period of HRK 511.133.833,40, respectively the total loss of the Company of amount HRK 523.892.082,51, is covering by simplified reduction of the share capital.
4. The share capital of the Company shall be decreased only for purpose of covering the remaining part of the loss for year 2012 and the accumulated loss from previous period, with the position on date 31<sup>st</sup> December 2012, and after that all accumulated profit from previous period and reserves of the Company have been exhausted for the loss coverage.
5. The simplified reduction of the Company share capital shall be made by decrease of the nominal amount of the ordinary shares so that the nominal value of HRK 300,00 (in words: three hundred), is decreased by amount of HRK 100,00 (in words: one hundred), to nominal value of HRK 200,00 (in words: two hundred) per share, respectively, the simplified reduction of the share capital amounts HRK 542.000.300,00 (in words: five hundred forty two million and three hundred).
6. The difference between the amounts of the Company share capital reduction stated in point 5 of this Decision Proposal and the amount of the total loss being covered by such reduction of the share capital stated in point 3 of this Decision Proposal, in amount of HRK 18.108.217,49 shall be allocated to the capital reserves of the Company.
7. After simplify reduction of the share capital has been executed, the share capital of the Company amounts to HRK 1.084.000.600,00 (in words: one billion eighty four millions and six hundred) and is divided into 5.420.003 ordinary shares, each share having nominal value of HRK 200,00 (two hundred).
8. The Management Board shall undertake all activities needed for the registration of the Decision of the Company General Assembly on simplified reduction of the Company share capital in register of Commercial Court in Varaždin as well as in Depository of Central Depository and Clearing Company Inc.
9. The share capital reduction becomes effective upon the registration of a Decision of the General Assembly on simplified reduction of the Company share capital in register of Commercial Court in Varaždin.



## Item 7 on the Agenda:

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

### Article 1

The word: „Koprivnica“ is deleted from title of the Articles of Association.

### Article 2

In Article 1 of the Articles of Association, paragraph 3 is changed to read as follows:

„3) The Commercial Court of Bjelovar has established by its Resolution No: Tt-95/2547 dated 3<sup>rd</sup> January 1996 that the Company has aligned its general rules with the Company Law and the Company has been registered under No: MBS 010006549, OIB: 18928523252.

### Article 3

Article 6 of the Articles of Association is amended with the following activities the Company will perform under registered scope of activities:

- ❖ Gas trade
- ❖ Gas storage
- ❖ Trade, brokerage and representation on the energy market
- ❖ Activities of private protection
- ❖ Repairs, maintenance and control examining of all kinds of fire extinguisher and equipment
- ❖ Activity of providing audio and audio visual media services and electronic publication services by electronic communication network
- ❖ Production, transaction and public screening of audio visual works.

### Article 4

In Article 13 of the Articles of Association, paragraph 1 is changed to read as follows:

„1) The share capital of the Company amounts to 1,084,000,600.00 HRK (one billion eighty four million and six hundred kunas).

### Article 5

In Article 14 of the Articles of Association, paragraph 1 is changed to read as follows:

“1) The share capital of the Company is divided into 5,420,003 ordinary shares of the nominal value of HRK 200,00 (two hundred kunas) each.

### Article 6

In Article 18 of the Articles of Association, paragraph 3 is changed to read as follows:

“3) The term of office of the Management Board begins to run as of the date of appointment, if not defined differently by decision of the Supervisory Board.”

### Article 7





To Article 22 of the Articles of Association, a new paragraph 3 is added which reads:

- “3) If the votes are divided evenly, the vote of the President of the Management Board prevails.”

#### Article 8

After Article 23 of the Articles of Association, a new article 23a is added which reads:

#### **“Article 23.a**

##### **Approved Increase of the Share Capital**

- 1) The Management Board is authorised, subject to prior approval of the Supervisory Board, to increase the share capital of the Company, in one or more portions, within period of five years from the date of subscription of this Articles of Association in the Court Register, by the nominal amount which will not exceed a half of the nominal share capital of the Company existed when this authorisation is given.
- 2) The Management Board is authorised, subject to prior approval of the Supervisory Board, to increase the share capital by issuing of the new shares to be contributed in cash.
- 3) In the Decision on increase of the share capital, the Management Board shall define the rights granted by new shares and terms under which new shares shall be issued.
- 4) The Management Board is authorised subject to prior approval of the Supervisory Board decide on overall and/or partial exclusion of priority rights for the subscription of the new shares that have to be issued under authorisation given under this Article.
- 5) The Supervisory Board is authorised to align the provisions of the Articles of Association with the changes arising from such increase of the share capital and the issue of the new shares.”

#### Article 9

Article 24 of the Articles of Association is changed to read as follows:

#### **“Article 24**

##### **Number of members and term of office**

- 1) The Supervisory Board shall consist of 9 (nine) members.
- 2) The members of the Supervisory Board shall be elected for a 4 (four) year term of office.
- 3) The term of office of each member of the Supervisory Board begins to run as of the day of their election, if not stipulated otherwise by decision on election.”

#### Article 10

Article 25 of the Articles of Association is changed to read as follows:

#### **“Article 25**

##### **Election**

- 1) The General Assembly shall elect 8 (eight) members of the Supervisory Board.
- 2) The Works Council shall appoint one representative of employees in the Supervisory Board in the manner and following the procedure in compliance with the provisions of the Labour Act.”

#### Article 11



After Article 26 of the Articles of Association, a new article 26a is added which reads:

**“Article 26.a**

**Way of dealing of the Supervisory Board**

- 1) The Supervisory Board regularly acts and makes decisions at the meeting, and may decide only if the majority of its members are present at the meeting.
- 2) The decisions of the Supervisory Board shall be valid if adopted by majority votes of the present members. If the votes are divided evenly, the vote of the president of the Supervisory Board is decisive.
- 3) The Supervisory Board may pass decisions out of the meeting, by email, fax and other appropriate technical devices. Such decisions must be verified at the immediate next meeting of the Supervisory Board.
- 4) The Supervisory Board enacts the Rules of Procedure regulating way of voting and other issues within the scope of its authority.”

Article 12

Article 27 of the Articles of Association is changed to read as follows:

**“Article 27  
Competence**

Besides the competence and authority defined by the Law, the Supervisory Board shall decide on granting its prior (and only exceptionally posterior) consent to the Management Board for the performance of the following tasks:

- Incorporation of new companies and dissolution of the existing ones,
- Adoption of the Rules of Procedure of the Management Board,
- Legal matters, investments and other contributions of an amount exceeding 2% (two per cent) of the share capital of the Company, and which do not relate to regular business operations.

As the regular business operations is considered activities that the Company is undertaking under customary, regular commercial terms within its main business in accordance with the Business Plan for the relevant year established by the Management Board and approved by the Supervisory Board.”

Article 13

Article 30 of the Articles of Association is changed to read as follows:

**“Article 30**

**President of the General Assembly**

- 1) The president of the General Assembly shall chair the General Assembly, and is appointed by the Supervisory Board on proposal of the Management Board.
- 2) The president of the General Assembly shall:
  - preside the meetings of the Assembly and establish the order of discussion on each item of agenda,
  - decide on order of voting for certain proposals, manner of voting on certain decisions and other procedural issues that are not proscribed by Law and this Articles,
  - certify the list of the shareholders present at the meeting and sign decisions of the Assembly,
  - undertake other activities proscribed by Law or these Articles.
- 3) In order to ensure the efficient way of dealing at the Assembly, the president of the Assembly may fix overall time for discussion under certain item on agenda





as well as limit the maximum duration for participation in discussion, rising questions and seeking information for shareholders or their proxies who duly applied.”

#### Article 14

To Article 31 of the Articles of Association, a new paragraph 3 is added which reads:

- “3) The shareholders, representatives and proxies, may also vote at the General Assembly by providing their voting leaflet before the meeting, but only provided that such shareholders are present at the General Assembly during decision making on item for which they casted vote in advance.”
- II. 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.
- III. The term of office of the appointed Supervisory Board members is to be continued as defined.
- IV. The Supervisory Board is authorised to establish the purified text of the Articles of Association in compliance with this Decision.

**The Supervisory Board of PODRAVKA Inc. proposes to the General Assembly to pass the following decision (item 8):**

#### **Item 8 on the Agenda:**

- I. The financial statements of the parent company PODRAVKA Food Processing Industry, Incorporated, Koprivnica and of its affiliated (subsidiary) companies, along with consolidated financial statements of the PODRAVKA Group for the business year 2013 shall be audited by the authorised auditor:

**KPMG Croatia Ltd.**

with the headquarters in Zagreb, Eurotower, Ivana Lučića 2a/17.

- II. The Management Board of PODRAVKA Inc. is authorized to enter appropriate auditing agreements with the above mentioned Auditing Company and to fix remuneration for its service.

**PODRAVKA Inc.**