



Petrokemija, Plc. Fertilizer Company  
Aleja Vukovar 4, 44320 Kutina, Croatia  
Ordinary share, PTKM-R-A ISIN HRPTKMRA0005  
listed on the Official Market of the Zagreb Stock Exchange  
Notice pursuant to the Capital Market Act

Pursuant to the provisions of Article 277 of the Companies Act and Article 13 of the Articles of Association of Petrokemija, on 31 August 2017 the Management Board of Petrokemija d.d. adopted the Decision on convening and invites you to participate in the work of

### **EXTRAORDINARY GENERAL MEETING**

**of Petrokemija d.d. Kutina, Aleja Vukovar 4, company ID: 24503685008  
that will be held at the Company headquarters  
on Wednesday 11 October 2017 at 12.00 hrs**

The proposed agenda for the Extraordinary General Meeting is as follows:

1. Opening of the Extraordinary General Meeting and establishment of the quorum;
2. Adopting of the decision on simplified reduction of the share capital by merging the Company shares;
3. Adopting of the decision to amend the Articles of Association.

### DECISION PROPOSALS

Ad 2.

It is adopted as follows:

#### **Decision on simplified reduction of the Company share capital by merging of shares**

##### **Article 1**

It is established that Petrokemija, d.d. Fertilizer Company Kutina, Aleja Vukovar 4, company ID: 24503685008 is registered in the Court Register of the Commercial Court in Zagreb under company registration number 080004355.

It is established that the Company share capital amounts to HRK 386,135,400.00 (three hundred and eighty-six million one hundred and thirty-five thousand four hundred kuna) and is divided into 12,871,180 (twelve million eight hundred and seventy-one thousand one hundred and eighty) non-materialized ordinary shares of HRK 30,00 (thirty kuna) nominal value each.

The Company share capital was paid in full.

##### **Article 2**

It is determined that the Company losses transferred from 2014 and 2015 amount to HRK 251,797,101.46 (two hundred and fifty-one million seven hundred and ninety-seven thousand one hundred and one kuna and forty-six lipa), the Company losses from 1 January to 31 December 2016

are HRK 87,310,399.21 (eighty-seven million three hundred and ten thousand three hundred and ninety-nine kuna and twenty one lipa) and the capital loss of the Company amounts to HRK 200,000.00 (two hundred thousand kuna). The total loss of the Company as at 31 December 2016 amounts to HRK 339,307,500.67 (three hundred and thirty-nine million three hundred and seven thousand five hundred kuna and sixty-seven lipa).

It is established that the requirements of Article 349, paragraphs 1 and 2 of the Companies Act have been met and the Company share capital is simply reduced only to cover the Company losses and to lower the value for the purpose of remedying the Company, all pursuant to Article 342, paragraph 4, in conjunction with Article 349 paragraph 3 of the Companies Act and Article 163 paragraph 2 of the same Act.

### **Article 3**

The Company share capital is reduced by simplified method from the amount of HRK 386,135,400.00 (three hundred and eighty-six million one hundred and thirty-five thousand four hundred kuna) by the amount of HRK 343.231.470,00 (three hundred and forty-three million two hundred and thirty-one thousand four hundred and seventy kuna) to the amount of HRK 42.903.930,00 (forty-two million nine hundred and three thousand nine hundred and thirty kuna). Thereby, the nominal amount of the ordinary share will be reduced from HRK 30.00 (thirty kuna) to under its nominal value prescribed by Article 163, paragraph 2 of the Companies act, to the amount of HRK 3.333 (three point three three three kuna), leading to the merging of shares in line with Article 349 paragraph 3 in conjunction with Article 342, paragraph 4 of the Companies Act, so that the thus obtained 3 (three) ordinary shares of HRK 3.333 (three point three three three) nominal value each will be merged into one (1) ordinary share of HRK 10.00 (ten kuna) nominal value each. For the purpose of rounding up the nominal value of the share to HRK 10.00 (ten kuna), the remainder of HRK 3.923.969,33 (three million nine hundred and twenty-three thousand nine hundred and sixty-nine kuna thirty-three lipa), remaining after covering the total loss of the Company referred to in Article 2 of this Decision, shall be transferred to the Company capital reserves.

For shareholders who do not have the registered number of shares on their securities accounts that is a multiple of 3 (three) on the day of calculation of share merging, the number of shares registered on each securities account will be reduced to the first smaller whole number of shares which, divided by 3 (three), gives the whole number of New Shares, with the obligation of the Company to pay to each such shareholder the difference in the amount of HRK 15,21 (fifteen kuna twenty-two lipa) for each share for which the number of shares entered on the securities account has been reduced. This amount was determined on the basis of the average price of shares realized on the regulated market of the Zagreb Stock Exchange in the last three months before the date of the decision to convene the Company General Meeting.

### **Article 4**

After the simplified reduction of the share capital by merging of the shares, the Company new share capital amounts to HRK 42,903,930.00 (forty-two million nine hundred and three thousand nine hundred and thirty kuna) and is divided into 4,290,393 (four million two hundred and ninety thousand three hundred and ninety-three) non-materialized ordinary shares each in the nominal amount of HRK 10.00 (ten kuna).

### **Article 5**

The Management Board of the Company is obliged to undertake all activities related to the entry of the Decision into the Court Register of the Commercial Court in Zagreb and to the depository of the Central Clearing and Depository Company, d.d. Zagreb.

## **Article 6**

The simplified reduction of the share capital by merging of shares is considered to have been conducted on the date of entry of this Decision into the Court Register of the Commercial Court in Zagreb.

Ad 3.

It is adopted as follows:

### **Decision on amendment of the Articles of Association**

#### **Article 1**

Paragraphs 1 and 2 of Article 7 of the Articles of Association are amended to read as follows:

"The Company share capital amounts to HRK 42,903,930.00 (forty-two million nine hundred and three thousand nine hundred and thirty kuna)."

"The Company share capital is divided into 4,290,393 (four million two hundred and ninety thousand three hundred and ninety-three) non-materialized registered ordinary shares of HRK 10.00 (ten kuna) nominal amount each.

#### **Article 2**

Article 13, paragraph 2, indent 4 is amended to read:

"- Establishment, change or termination of the Company rights or obligations (and where the business is concluded with the same third party through conclusion of several related legal transactions, statements or other acts by which the rights or obligations of the Company are established, changed or terminated), which rights and obligations meet any of the following requirements:

- exceed the value of HRK 35,000,000.00 (thirty-five million kuna);
- exceed the value of five (5) % of the Company annual revenues earned in the previous year;
- is determined for a period of one (1) year,"

#### **Article 3**

The Supervisory Board is authorized to determine and prepare the consolidated text of the Articles of Association.

#### **Article 4**

This Decision shall enter into force on the day of its adoption, and shall apply from the date of entry into the Court Register of the Commercial Court in Zagreb.

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All Company shareholders are entitled to take part and vote at the Extraordinary General Meeting provided they send in their applications for participation in writing to the Company Management Board by 5 October 2017.

Applications for participation are submitted to the Board Office of Petrokemija, d.d. Aleja Vukovar 4, Kutina.

A shareholder of the Company shall be any entity registered in the Book of Shares as on 5 October 2017, according to the list compiled by the Central Depository and Clearing Company at the end of business hours on that day.

Shareholders – natural persons may be represented at the Extraordinary General Meeting by their proxies with full powers of attorney certified by a notary public or by an authorized person in the Legal Department, Headquarters Building of Petrokemija, d.d., Aleja Vukovar 4, Kutina, weekdays 8:00 to 12:00 a.m.

Shareholders – legal entities shall have the power of attorney signed by an authorized person and certified by a stamp made out on the official stationery of the entity, containing the data from Article 21 of the Companies Act.

An insight into the materials for the Extraordinary General Meeting can be made in the Company Finance and Controlling Department, Ulica kralja Petra Krešimira IV, Kutina, from 8:00 to 14:00 hours on business days (Monday to Friday), starting from the date of publication of the invitation. The materials are also available on the Company website, [www.petrokemija.hr](http://www.petrokemija.hr), where the data will be published in accordance with Article 280a of the Companies Act.

In accordance with Article 277, paragraph 4 of the Companies Act, the shareholders are informed as follows:

– Shareholders who together have shares amounting to the twentieth part of the Company share capital have the right to require an item to be placed on the Extraordinary General Meeting Agenda and their request to be announced. Such a request must have an explanation and a decision proposal and must be received by the Company at least 30 days before the Extraordinary General Meeting, excluding the day of the receipt of the request by the Company;

– Each shareholder has the right to submit a counter proposal to the decision proposal which was given to the Extraordinary General Meeting by the Company Management Board and / or Supervisory Board. This includes the proposal of shareholders for appointment of a Supervisory Board member or the appointment of Company auditors. The Company must receive such a request at least 14 days before the Extraordinary General Meeting (where not using this right does not result in the loss of the right to put up the counter proposal at the Company Extraordinary General Meeting). If the request is made within this period, the Company Management Board shall submit such request to all persons referred to in Art. 281 of the Companies Act, except in cases of Art. 282, paragraph 2 and Art. 283 of the Companies Act;

– Each shareholder has the right to request information about the business affairs of the Company from the Company Management Board at the Extraordinary General Meeting if it is necessary for their assessment of issues on the agenda of the Meeting, except in cases provided for in Art. 287, paragraph 2 of the Companies Act.

The registration of participants of the Extraordinary General Meeting will take place on 11 October 2017 in the lobby of the Headquarters Building of Petrokemija, d.d., Aleja Vukovar 4, Kutina, from 10.00 to 11.30 inclusive, after which registration will not be possible. The shareholders are asked to register on time.

If the requirements of the quorum at the Extraordinary General Meeting, required by the provisions of the Company Articles of Association are not met, the new session of the Extraordinary General Meeting with the same agenda and the same decision proposals will take place on 26 October, 2017, starting at 12.00 hours.

This invitation for the Extraordinary General Meeting will be posted on the website of the Court Register of the Commercial Court in Zagreb, Zagreb Stock Exchange ([www.zse.hr](http://www.zse.hr)), via HINA, on the website of the Croatian Agency for Supervision of Financial Services ([www.hanfa.hr](http://www.hanfa.hr)) and on the Company website ([www.petrokemija.hr](http://www.petrokemija.hr)).

Each shareholder or their representative or proxy, shall bear the cost of their participation in the work of Extraordinary General Meeting.

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