



Petrokemija PLC, Fertilizer Company  
Aleja Vukovar 4, 44320 Kutina, Croatia

Ordinary stock PTKM-R-A ISIN HRPTKMRA0005  
LEI 74780000U0FHQRSAX069  
Members State: Republic of Croatia  
Listed on the Zagreb Stock Exchange Official Market  
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 Plc., on 11 April 2019 the Management Board of Petrokemija Plc. passed a decision on convening and invites you to participate in the work of

## **GENERAL MEETING OF PETROKEMIJA Plc.**

**To be held on 4 June 2019 (Tuesday) at 12.00 hrs noon**

**At Petrokemija Plc. headquarters in Kutina, Aleja Vukovar 4**

The Agenda is proposed as follows:

1. Opening the General Meeting and checking the list of participants
2. Management Board's annual report to the state of the Company
3. Supervisory Board's Report on the company's business activities supervision
4. 2018 Annual Financial Statements, having been determined by the Management and the Supervisory Board
5. Decision on covering the Company's losses
6. Decision on granting clearance to the members of the Management and the Supervisory Board
- A – Decision on granting clearance to the members of the Management Board
- B – Decision on granting clearance to the members of the Supervisory Board
7. Decision on appointing auditors for 2019

## **DECISION PROPOSALS**

***Item 5 – The Management and the Supervisory Board of the Company propose to the Company’s General Meeting the adoption of the following decision***

**Ad 5. Pursuant to Article 275 of the Companies Act (Official Gazette 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13 and 110/15), the General Meeting of Petrokemija Plc. (the Company) passes the**

### **DECISION**

#### **On covering company’s losses**

##### Article 1

In the business year ending on 31 December 2018, the loss in the amount of HRK 470.796.289,55 was generated.

The amount of HRK 153.523.268,90 shall be covered from capital reserves, and the remaining amount of HRK 317.273.020,65 transferred into 2019 as uncovered loss.

##### Article 2

This Decision shall enter into force on the date of its adoption.

***Item 6 - The Management and the Supervisory Board of the Company propose to the Company’s General Meeting the adoption of the following decision***

**6 A – Pursuant to Article 276 of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13 and 110/15), the General Meeting of Petrokemija Plc. (the Company) passes the**

### **DECISION**

#### **On granting clearance to members of the Management Board**

##### Article 1

It has been established that in 2018 members of the Petrokemija Plc. Management Board ran the Company activities in accordance with the law and the Articles of Association, and are therefore granted clearance.

##### Article 2

This decision shall enter into force on the date of its adoption.

**6 B - Pursuant to Article 276 of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13 and 110/15), the General Meeting of Petrokemija Plc. passes the**

**DECISION**  
**On granting clearance to the Supervisory Board members**

Article 1

It has been established that in 2018 the members of the Petrokemija Plc. Supervisory Board performed the duties and responsibilities of the members of the Supervisory Board in accordance with the law and the Articles of Association, and are therefore granted clearance.

Article 2

This decision shall enter into force on the date of its adoption.

***Item 7 – The Supervisory Board of the Company proposes to the Company’s General Meeting the adoption of the following decision***

Pursuant to Article 275, paragraph 1, item 4 of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13 and 110/15) the General Meeting of Petrokemija Plc. passes

**DECISION**  
**On appointing auditors for Petrokemija Plc. for 2019**

Article 1

KPMG Croatia d.o.o. from Zagreb is appointed auditor for Petrokemija Plc. for the year 2019.

Article 2

This Decision shall enter into force on the date of its adoption.

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All Company shareholders are entitled to take part and vote at the General Meeting provided they send in their applications for participation in writing to the Company Management Board by 28 May 2019.

Applications for participation are submitted to the Board Office of Petrokemija, Plc, Aleja Vukovar 4, Kutina. A shareholder of the Company shall be any legal subject registered in the Book of Shares as on 28 May 2019, 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 General Meeting by their proxies with full powers of attorney certified by a notary public or by an authorized person in the Department of Legal Affairs, Headquarters Building of Petrokemija, Plc., 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 said entity, containing the data from Article 21 of the Companies Act.

An insight into the materials for the General Meeting can be made at the Department of Legal Affairs, Headquarters Building of Petrokemija, Plc., Aleja Vukovar 4, Kutina, weekdays 8:00 to 14:00 hours (Monday to Friday), starting from the date of publication of the call. 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 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 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 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 General Meeting (where not using this right does not result in the loss of the right to put up the counter proposal at the General Meeting of the Company). The request made within this period, shall be sent by the Company Management Board 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 affairs of the Company from the Company Management Board at the General Meeting if it is necessary for their assessment of issues on the General Meeting agenda, except in cases provided for in Art. 287, paragraph 2 of the Companies Act.

The registration of participants of the General Meeting will take place on 4 June 2019 in the lobby of the Headquarters Building of Petrokemija, Plc., Aleja Vukovar 4, Kutina, from 10.00 to 11.30 inclusive, after which registration will not be possible. The investors (shareholders) are asked to register on time.

If the requirements of the quorum at the regular annual General Meeting, required by the provisions of the Company Articles of Association are not met, the new session of the General Meeting with the same agenda and the same decision proposals will take place on 26 June 2019 (Wednesday), starting at 12.00 hours noon.

This call for the regular General Meeting will be posted on the website of the Zagreb Commercial Court register, on the website of the 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)).

The official language at the General Meeting shall be Croatian. The Company shall ensure interpretation to and from English. This call has been published in both Croatian and English language, with Croatian as official version.

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

Petrokemija PLC

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**PETROKEMIJA**  
K U T I N A

Petrokemija Plc Fertilizer Company  
Aleja Vukovar 4  
44320 Kutina  
Croatia

Kutina, 10 April 2019

Pursuant to Article 263 and Article 300c of the Companies Act, and the Articles of Association of Petrokemija Plc. (hereinafter: the Company), the Supervisory Board submits to the General Meeting the following

**REPORT**  
**ON THE SUPERVISION OF THE COMPANY'S BUSINESS ACTIVITIES**  
**FOR 2018**

Pursuant to authorities defined by the provisions of the Companies Act, the Articles of Association of Petrokemija Plc., and the Rules of Procedure of Petrokemija Plc., in the period from 1 January 2018 to 31 December 2018 the Supervisory Board of Petrokemija Plc. continually supervised business operations of Petrokemija Plc. Having supervised these activities, the Supervisory Board determined that in 2018 Petrokemija Plc. acted in accordance with the law, the Company's documents and the decisions made by the General Meeting.

**Supervisory Board (hereinafter: SB)**

On the day this Report is issued, and on 31 December 2018, members of the Supervisory Board are:

- Sandor Fasimon, President
- Sabina Škrtić, Deputy President
- Gabor Horvath, Member
- Pavao Vujnovac, Member
- Tomislav Pokaz, Member
- Mijo Šepak, Member
- Željko Klaus, Member

In 2018, the composition of the Supervisory Board changed as follows:

- Supervisory Board Member Marijan Kuprešak resigned on 31 July 2018
- Supervisory Board Member Ladislav Turčinović resigned on 30 October 2018
- Supervisory Board Members Mijo Šepak and Robert Blažinović resigned on 31 October 2018
- In the General Meeting of 31 October 2018 new Supervisory Board members were appointed: Sandor Fasimon, Gabor Horvath, Sabina Škrtić and Mijo Šepak, effective immediately; members: Pavao Vujnovac and Tomislav Pokaz, effective on the day the change was entered in the Court Registry, 8 November 2018.
- In the Supervisory Board session of 31 October 2018, Sandor Fasimon was appointed President of the Supervisory Board, and Sabina Škrtić Deputy President.

### **Audit Committee (AC)**

The Audit Committee took part in supervising the Company's business operations, in its role of a committee assisting the Supervisory Board. In 2018, the Audit Committee held four sessions in which period report on business activities, proposals for appointing Company's external auditor for 2018, audit results and internal audit activities were reviewed.

In 2018 members of the Audit Committee were as follows:

- Marijan Kuprešak, President
- Mijo Šepak, Deputy President
- Željko Klaus
- Ladislav Turčinović
- Robert Blažinović

On 31 July 2018 president of the Audit Committee Marijan Kuprešak resigned from his positions in the Supervisory Board and the Audit Committee.

From 4 September 2018 to 31 October 2018 the members of the Audit Committee were:

- Robert Blažinović, President
- Mijo Šepak, Deputy President
- Ladislav Turčinović
- Željko Klaus

Since 18 December 2018 members of the Audit Committee have been:

- Sabina Škrtić, President
- Gabor Horvath
- Tomislav Pokaz

### **Management Board**

On 2 January 2018, the term in office of Member of the Board Nenad Zečević expired. From 3 January 2018 to 31 October 2018 there were two members to the MB:

- Đuro Popijač, President
- Davor Žmegač, Member

On 31 October 2018, a new Management was appointed:

- Davor Žmegač, President
- Goran Pleše, Member
- Krešimir Rendeli, Member
- Peter Suba, Member

The term in office of Member of the Board Krešimir Rendeli was terminated pursuant to an agreement on 31 January 2019; Željko Marić was appointed new member of the Board, effective on 1 February 2019.

On the day this Report is submitted, members of the Management Board are:

- Davor Žmegač, President
- Goran Pleše, Member
- Peter Suba, Member
- Željko Marić, Member

### **Supervision in business year 2018**

The Supervisory Board supervised the business activities of Petrokemija Plc. in 2018, within its legal and statutory authority.

The Supervisory Board conducted the supervision by holding 33 sessions, 16 of which were electronic sessions, in which decisions and conclusions were made on issues related to supervising the Company's work and business activities, and on consents granted to the Company's Management Board for those activities which require such consent. The Supervisory Board was regularly informed by the Management Board about relevant business events, the course of business operations, revenue

and expenditures and the Company's balance. The Management Board filed regular quarterly, semi-annual and annual written reports to the Supervisory Board for adoption.

The Supervisory Board supervised the Company's activities in accordance with the decisions made by the Company's General Meeting, and determined that the Company acted pursuant to General Meeting's decisions in entirety.

With its recommendations, the Supervisory Board influenced the Company's activities that marked 2018. Apart from 2018 financial results, the Supervisory Board considered and gave consent to the Company's 2019 Business Plan, and received the overview of the 2020 – 2023 period.

### **The results of examining annual financial and auditor's reports**

Having considered the Company's audited financial statements and consolidated financial statements of Petrokemija Group for 2018, the Supervisory Board found that in 2018 the Company acted pursuant to the law, to Company's documents and to the decisions made by the General Meeting. The annual financial statements were made in accordance with the business records, reflect the Company truthfully in terms of its assets and business status, reflect truthfully and fairly the Company's and the Group's financial position on 31 December 2018, as well as its financial results and cash flows.

The Supervisory Board has no objections to the report provided by auditor Deloitte d.o.o. Zagreb on examining the Company's financial statements and Petrokemija Group's consolidated financial statements for business year 2018.

The Supervisory Board has no objections to audited financial statements delivered by the Management Board, and gives its consent to these reports, which are therefore considered adopted by the Management Board and the Supervisory Board, and shall be presented to the General Meeting. The Supervisory Board considered the report on the condition of the Company and Petrokemija Group for 2018, and has no objections to the delivered report.

### **Proposal for covering losses in 2018**

Petrokemija had a loss of HRK 470.796.289,55 in 2018. The Supervisory Board gives its consent to the proposal of the Management Board to cover the amount of HRK 153.523.268,90 from capital reserves, and the remaining amount of HRK 317.273.020,65 is transferred to 2019 as loss not covered. This proposal of covering losses is sent jointly by the Management Board and the Supervisory Board to the Company's General Meeting.

### **Summary**


The Company's Management Board reported regularly to the Supervisory Board about the Company's business operations, assets and liabilities, revenues, and organisational and other changes related to Company's business.

The Supervisory Board analysed the achievement of planned results and implementation of key objectives of the Company's business policy in 2018.

The Supervisory Board evaluates the cooperation with the Company's Management Board in 2018 good, accepting the fact that in line with priorities that had to be carried out in preparing in implementing restructuring and recapitalisation of the Company, the Management Board's composition was adjusted, complying with the law and in the spirit of mutual respect for the benefit of the Company's interest.

The Supervisory Board has assessed its work in the previous period as highly demanding and dynamic, which is reflected in the number of sessions held and the structure of considered topics. The achieved business results were limited with a number of circumstances in immediate and wider surrounding, as well as the difficulties transferred from the previous period. In the reporting period a continuity was achieved and progress made in the approach to key developmental issues of the Company, with the continuation of each individual members to the Board's joint work, ad complying with the lawfulness in the Company's activities.

The Supervisory Board, therefore, sends this Report on the supervision of the Company's business activities for 2018 to the Company's General Meeting, with the proposal that the General Meetings passes decisions it is authorised for, in accordance with the proposals presented by the Management and the Supervisory Board.

A handwritten signature in blue ink, consisting of a horizontal line above a vertical line that crosses it, followed by a small dot and a short horizontal stroke.

President of the Supervisory Board  
Sandor Fasimon