



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 d.d., on 08 April 2020 the Management Board of PETROKEMIJA d.d. passed the decision on convening and hereby invites you to participate in the work of

THE ANNUAL GENERAL MEETING OF PETROKEMIJA d.d.

to be held on 2 June 2020 (Tuesday) at 12 noon

at Petrokemija d.d headquarters in Kutina, Aleja Vukovar 4

The Agenda of the Annual General Meeting is proposed as follows:

1. Opening the Annual General Meeting and checking the list of participants
2. The 2019 annual financial statements, as formulated by the Management Board and the Supervisory Board, and the Management Board's annual report on Company's status
3. The Supervisory Board's report on the supervision of Company business management
4. Decision on using the Company's profit
5. Decision on granting discharge to the Management Board members and Supervisory Board members:
 - A – decision on granting discharge to the Management Board members
 - B – decision on granting discharge to the Supervisory Board members
6. Decision on approving the 2019 Report on the Remuneration for the Members of the Management Board and Supervisory Board
7. Decision on approving the 2020-2023 Remuneration Policy for the Members of the Management Board and Supervisory Board
8. Decision on compensation and transport allowance for the Supervisory Board members

9. Decision on appointing the 2020 auditor

10. Decision on the amendments to the Articles of Association of the Company

DRAFT DECISIONS

Under item 4, the Management Board and the Supervisory Board propose that the Annual General Meeting make the decision as follows

Ad. 4. Pursuant to Article 275, in conjunction with Article 220 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, 110/15 and 40/19) and Article 27 of the Articles of Association, the Annual General Meeting of Petrokemija d.d. hereby makes the following

DECISION

on using the Company's profit

Article 1

After-tax profit generated in the business year ended 31 December 2019, in the amount of **HRK 140,401,027.66**, shall be distributed to cover a part of the previous year's loss carried forward.

Article 2

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

Under item 5, the Management Board and the Supervisory Board propose that the Company's Annual General Meeting make the decisions as follows:

Ad. 5. 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, 110/15 and 40/19) and Article 27 of the Articles of Association, the Annual General Meeting of Petrokemija d.d. hereby makes the following

DECISION

on granting discharge to the Management Board members

Article 1

It has been established that the Management Board members of Petrokemija d.d. managed the Company's business operations in 2019 in accordance with the legislation and the Articles of Association. Therefore, the Management Board members are hereby granted discharge.

Article 2

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

Ad. 5. 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, 110/15 and 40/19) and Article 27 of the Articles of Association, the Annual General Meeting of Petrokemija d.d. hereby makes the following

DECISION
on granting discharge to the Supervisory Board members

Article 1

It has been established that the Supervisory Board members of Petrokemija d.d. performed the duties and responsibilities assumed by the Supervisory Board members in 2019 in accordance with the legislation and the Articles of Association. Therefore, the Supervisory Board members are hereby granted discharge.

Article 2

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

Under item 6, the Management Board and the Supervisory Board propose that the Company's Annual General Meeting make the decisions as follows:

Ad. 6. Pursuant to Article 276.a 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, 110/15 and 40/19) and Article 27 of the Articles of Association, the Annual General Meeting of Petrokemija d.d. hereby makes the following

DECISION

on approving the 2019 Report on the Remuneration for the Supervisory Board Members

Article 1

The 2019 Report on the Remuneration for the Supervisory Board members, in the text defined by the Company's Management Board on 25 March 2020, is hereby approved.

Article 2

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

Under item 7, the Management Board and the Supervisory Board propose that the Company's Annual General Meeting make the decisions as follows:

Ad. 7. Pursuant to Article 276.a 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, 110/15 and 40/19) and Article 27 of the Articles of Association, the Annual General Meeting of Petrokemija d.d. hereby makes the following

DECISION

on approving the 2020-2023 Remuneration Policy for the Members of the Management Board and Supervisory Board

Article 1

The 2020-2023 Remuneration Policy for the Supervisory Board Members, in the text defined by the Company's Management Board on 31 March 2020, is hereby approved.

Article 2

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

Under item 8, the Management Board and the Supervisory Board propose that the Company's Annual General Meeting make the decisions as follows:

Ad. 8. – Pursuant to Article 269 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, 110/15 and 40/19) and Article 25 of the Articles of Association the Annual General Meeting of Petrokemija d.d. hereby makes the following

DECISION

on compensation and transport allowance for the Supervisory Board members

Article 1

The Supervisory Board members of Petrokemija are entitled to a compensation for their work in the Supervisory Board in the amount of HRK 2,000.00 per month.

Petrokemija d.d. shall pay all taxes and contributions defined by law, which are calculated based on the amount of the above compensation.

Article 2

The monetary compensation from Article 1 hereof is calculated and paid into the accounts of the Supervisory Board members in the current month for the previous month.

Article 3

The Supervisory Board members that travel more than 10 (ten) kilometres from the place of residence to the place of the Supervisory meeting in order to participate in the meeting are entitled to transport allowance.

Article 4

Transport allowance for the use of a personal car for business purposes is approved up to the maximum non-taxable amount of allowance for this type of transport, under the Regulation on Income Tax.

Article 5

Transport allowance is calculated and paid into the accounts of the Supervisory Board members in the month following the month in which they participated in the Supervisory Board meeting, i.e. together with the compensation paid for the month in which the meeting was held.

Article 6

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

Under item 9, the Supervisory Board proposes that the Company's Annual General Meeting make the decision as follows:

Ad. 9. Pursuant to Article 275, paragraph 1, item 5 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,

110/15 and 40/19) and Article 27 of the Articles of Association, the Annual General Meeting of Petrokemija d.d. hereby makes the following

DECISION
on appointing Petrokemija's 2020 auditor

Article 1

KPMG Croatia d.o.o. from Zagreb is appointed Petrokemija's 2020 auditor.

Article 2

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

Under item 10, the Management Board and the Supervisory Board propose that the Company's Annual General Meeting make the decisions as follows:

Ad. 10 Pursuant to Article 275, paragraph 1, item 6 of the Companies Act (Official Gazette Nos. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15 and 40/19) and Article 27 of the Articles of Association of Petrokemija d.d., the Annual General Meeting of Petrokemija d.d. hereby makes the following

DECISION

on the amendments to the Articles of Association of Petrokemija d.d.

Article 1

The following activities are added in Article 6 of the Articles of Association of Petrokemija d.d., complete consolidated text of 31 October 2018 (hereinafter: the Articles of Association):

- ‘
- * Maintenance of office machinery and computers
 - * Cleaning of all types of buildings
 - * Management activities of holding companies
 - * Information society services
 - * Accounting activities
 - * Business and management consultancy activities
 - * Real estate management activities and real estate maintenance
 - * Computer and related activities
 - * Services related to the credit granting activities: data collection, preparation of analyses and provision of information on creditworthiness of legal entities and self-employed persons
 - * Financial intermediation in transactions made in the money market
 - * Consultancy services to legal entities on the structure of equity, business strategy and similar issues, and the provision of services related to business mergers and acquisition of shares and business interests in other companies.’

Article 2

In Article 7 of the Articles of Association, paragraph 3 is deleted.

Article 3

In Article 13, paragraph 2 of the Articles of Association, the fourth indent is replaced by the following:

‘ - establishment or termination of the Company’s rights or obligations which comply with any of the following conditions:

- exceeding the value of HRK 35,000,000.00 (thirty-five million) or
- not exceeding the value of HRK 35,000,000.00 (thirty-five million), but exceeding the value of 5% (five percent) of the Company’s annual revenue realised in the previous year or
- defined for a period longer than one (1) year, exceeding the value of HRK 1,000,000.00 (one million),’.

Article 4

In Article 23 of the Articles of Association, the following paragraph 2 is inserted after paragraph 1:

‘A person who is not a board member may attend the Supervisory Board meeting as a substitute for the Supervisory Board member unable to participate in the meeting, provided the said person is granted a relevant written power of attorney from the board member unable to attend.’.

The former paragraphs 2, 3, 4 and 5 become paragraphs 3, 4, 5 and 6.

Article 5

In Article 26, paragraph 2, the first indent is replaced by the following:

‘ – they are registered as shareholders in the depository of the competent institution which keeps the data on the shareholders and their accounts as of the day representing the last day for registration for attendance at the Annual General Meeting,’.

Article 6

Article 28 of the Articles of Association is replaced by the following:

‘Annual General Meeting is chaired by the president of the Supervisory Board or its vice president, provided the vice president is authorised to do so by the president of the Supervisory Board. In case the president of the Supervisory Board is not able to attend, the vice president shall chair the Annual General Meeting and if the vice president is unable to attend, the president of the Supervisory Board shall appoint one of the members of the Supervisory Board to chair the Annual General Meeting. Unless the president appoints another member of the Supervisory Board, the Supervisory Board shall decide on the Supervisory Board member or the person to chair the Annual General Meeting.’.

Article 7

In Article 30 of the Articles of Association, paragraph 1 is replaced by the following:

‘Decisions may be taken in due order at the Annual General Meeting provided it is attended by shareholders or their proxies, who individually or jointly own shares in the nominal value exceeding 50% (fifty percent) of the amount of the Company’s share capital at the time of the Annual General Meeting taking place, reduced by the nominal value of the Company’s own shares.’.

In Article 30 of the Articles of Association, paragraph 3 is replaced by the following:

‘Decisions may be taken in due order at the substitute general meeting provided it is attended by shareholders or their proxies, who individually or jointly own shares in the nominal value exceeding 49% (forty-nine percent) of the amount of the Company’s share capital at the time of

the substitute Annual General Meeting taking place, reduced by the nominal value of the Company's own shares.'.

Article 8

In Article 32 of the Articles of Association, paragraph 5 is replaced by the following:

The person whose authorisation to represent is entered in the commercial court register or the person duly authorised under a written power of attorney is deemed the person authorised to represent a shareholder – legal entity, within the meaning of these Articles of Association.

In paragraph 6, the words 'by a written power of attorney' are inserted after the words 'authorised'.

In paragraph 8 of the Articles of Association, the words 'or by a person authorised by the Company's Management Board.' are deleted.

Article 9

The following new Article 32.a is inserted after the paragraph of Article 32:

'Article 32.a

When shareholders do not participate in the Annual General Meeting in the place where it is held, either in person or via their legal representative or proxy, the Company's Management Board may allow the shareholders who meet the requirements for the participation in the Annual General Meeting as stipulated by the provision of Article 26 of the Articles of Association to exercise all of their rights through electronic communication. The Company shall confirm to the person voting electronically that such vote has been recorded.

The Company's Management Board may allow the shareholders who meet the requirements for the participation in the Annual General Meeting as stipulated by the provision of Article 26 of the Articles of Association to cast their vote either in writing or via electronic communication when they are not participating at the Annual General Meeting. The Company shall confirm to the person casting their vote in writing or electronically that such vote has been recorded.

The use of electronic communication for the purposes of paragraphs 1 and 2 of this Article is permitted only if the requirements for this type of communication, as defined by the legislation, are met.

When shareholders use their rights provided for in paragraphs 1 and 2 of this Article, they are thus considered to participate in the Annual General Meeting and their shares are taken into account when determining the conditions for valid decision-making at the Annual General Meeting, as defined in Article 30 of the Articles of Association.'.

Article 10

The decision shall enter into force on the date of its adoption and shall become valid upon its entry in the Court Register.

All Company shareholders are entitled to take part and vote at the Annual General Meeting provided they send in their written applications for participation to the Company's Management Board by 26 May 2020.

Applications for participation are submitted to the Office of the Management Board of Petrokemija d.d., Aleja Vukovar 4, Kutina. A shareholder of the Company shall be any legal entity registered in the Book of Shares on 26 May 2020, 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 Annual General Meeting by their proxies with the power of attorney certified by a notary public or by an authorized person in the BU Legal Affairs, Administration Building of Petrokemija d.d., Aleja Vukovar 4, Kutina, on weekdays from 8 a.m. to 12 noon.

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

The materials for the Annual General Meeting can be inspected at Legal Affairs, Administration Building of Petrokemija d.d., Aleja Vukovar 4, Kutina, every business day (Monday to Friday) from 8 a.m. to 2 p.m., starting from the date of publication of the call. The materials are also available on the Company's website, www.petrokemija.hr, where the data will be published within the meaning of Article 280.a 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 request that an item be placed on the Annual General Meeting Agenda and that their request be published. Such a request must be supported by an explanation and a draft decision, and be received by the Company at least 30 days before the Annual General Meeting, excluding the day of the receipt of the request by the Company;
- each shareholder has the right to put forward a counter-proposal to the draft decision presented to the Annual General Meeting by the Company's Management Board and/or Supervisory Board. This includes the shareholders' proposal for the appointment of a Supervisory Board member or the appointment of Company's auditors. The Company must receive such a request at least 14 days before the Annual General Meeting (whereby not exercising this right does not result in the loss of the right to put forward a counter-proposal at the Annual General Meeting of the Company). The Company's Management Board shall send the request submitted within this period to all persons referred to in Art. 281 of the Companies Act, except in cases referred to in Art. 282, paragraph 2 and Art. 283 of the Companies Act;
- each shareholder has the right to request that the Company's Management Board provide information about the Company's business at the Annual General Meeting, if such information is necessary for their assessment of issues on the Annual General Meeting Agenda, except in cases provided for in Art. 287, paragraph 2 of the Companies Act.

The registration of participants of the Annual General Meeting will take place on 2 June 2020 at the entrance to the Administration Building of Petrokemija d.d., Aleja Vukovar 4, Kutina, from 10 a.m. to 11.30 a.m. inclusive. After that time, registration will not be possible. The investors (shareholders) are asked to register in time.

If the quorum requirements, as required by the provisions of the Company's Articles of Association, are not met at the regular Annual General Meeting, the new session of the Annual General Meeting with the same agenda and the same draft decisions will take place on 27 August 2020 (Thursday), starting at 12 noon.

This call for the regular Annual General Meeting will be published on the website of the Zagreb Commercial Court Register, on the website of the Zagreb Stock Exchange (www.zse.hr), via HINA, on the website of the Croatian Agency for Supervision of Financial Services (www.hanfa.hr) and on the Company's website (www.petrokemija.hr).

The official language of the Annual General Meeting shall be Croatian. 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 Company's Annual General Meeting.

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