

**Notary Public**

**Mato Medić**

**Kutina, Trg kralja Tomislava 7**

Discussed on 9 July 2018 (the ninth of July two thousand eighteen) at the headquarters of Petrokemija, d.d. Fertilizer Company in Kutina, Aleja Vukovar 4, starting at 12.00 (twelve hundred hours), (according to the notice on convocation, the General Meeting was supposed to start at 12,00 hrs.)

I, Notary Public, Mato Medić, from Kutina, Trga kralja Tomislava 7, came at the request of Petrokemija, d.d. Fertilizer Company to the Company Headquarters at Kutina, Aleja Vukovar 4, in order to prepare the Minutes of the General Meeting of that public limited company, entered into the court register of the Commercial Court in Zagreb, registry insert with company number (MBS) 080004355, taxpayer number (OIB) 24503685008.-----

At today's General Meeting were established to be present as follows:-----

**I.** Supervisory Board, comprising of members as follows:-----

1. Mijo Šepak, OIB 38512309032, Husain, Frana Krste Frankopana 48, SB President, -----
2. Željko Klaus, OIB 86607606361, Husain, Petra Zrinskog 31, SB Vice President, -----
3. Ladislav Turčinović, OIB 69430525230, Sveti Petar u Šumi, Jukini 81, SB Member,-----
4. Marijan Kuprešak, OIB 53756130078, Osijek, Vijenac Murse 2, SB Member,-----
5. Robert Blažinović, OIB 26915343198, Zagreb, Prenjska ulica 10, SB Member,-----

Members of the Supervisory Board referred to in points 1, 2, 4 and 5 were present (Ladislav Turčinović, OIB 69430525230, Sveti Petar u Šumi, Jukini 81, SB Member, was absent)

**II.** Management Board composed of the following members: -----

1. Đuro Popijač, OIB 07944363524, Rakitje, Školska ulica 41, MB President,-----
2. Davor Žmegač, OIB 57183812111, Kutina, Školska 7, MB Member.-----

All members of the Management Board referred to in points 1 and 2 were present.

**III.** Shareholders or shareholders' representatives (proxies) given in the List of Participants attached below, -----

**IV.** Mr Goran Aparac, BL - Head of the Company Legal Department.-----

**V.** Mr. Mladen Ostrički, of VOBCO d.o.o., Varaždin, Zagrebačka 61 / IV, a company in charge of electronic collection and processing of votes at today's Company General Meeting

Mr. Mijo Šepak, who I know by name and in person, as the President of the Supervisory Board, opened the Company General Meeting at 12.00 hrs (twelve hundred hours) and took the chair.-----

Namely, pursuant to Art. 29, paragraph 1, sentence 1 of the Petrokemija, d.d. Articles of Association, whose full (revised) text in line with Art. 303, paragraph 1 of the Companies

Act (OG 111/93, 34/99, 121/99 - authentic interpretation, 52/00 - CCRH Decision, 118/03, 107/07, 146/08, 137 / 09, 125/11- ref. Art. 381 of the Criminal Code, 152/11 revised text, 111/12, 68/13 and 110/15), defined by the Company Supervisory Board on 11 October 2017 (the eleventh of October two thousand seventeen), the Company General Meeting is chaired by the Company Supervisory Board President. -----

The General Meeting Chairman, Mr. Mijo Šepak, stated that the notice on convocation of today's General Meeting, together with the agenda, was published on the website of the Court Register on 30 May 2018 (thirtieth of May two thousand eighteen), -----

In the said notice, posted on the web site of the Court Register, whose copy is attached to these Minutes, the stated-----

### **Agenda**

is as follows:

1. Opening of the General Meeting and establishing the list of participants -----
2. Annual Financial Statements for 2017, as established by the Management and the Supervisory Board, Management Board Report and the Independent Auditors' Report on the Company's Financial Statements as at 31 December 2017 -----
3. Supervisory Board Report -----
4. Decision on Coverage of the Company's Losses in 2017 -----
5. Decisions on granting clearance to members of the Management and the Supervisory Board: -----
  - 5.1. Decision on granting clearance to members of the Management Board -----
  - 5.2. Decision on granting clearance to members of the Supervisory Board -----
6. Decision on Appointment of Auditors for 2018 -----
7. Decisions on repeal of decisions of the General Meeting of Petrokemija, d.d. held on 11.12.2017, specifically: -----
  - 7.1. Decision on repeal of Decision on full exclusion of pre-emptive rights of existing shareholders when subscribing for new Company shares; -----
  - 7.2. Decision on repeal of Decision on increase of the Company subscribed capital by contributions in cash and on issuance of new shares with full exclusion of the pre-emptive rights of existing shareholders when subscribing for new shares pursuant to Article 308, paragraph 4 of the Companies Act, with the exception of prior publication of the Prospectus for offer of securities referred to in Article 351, paragraph 1, Item 3 of the Capital Market Act and on amendments to the Articles of Association;-----
  - 7.3. Decision on repeal of Decision on issuing of shares without publication of a takeover bid, pursuant to the provisions of Article 14, paragraph 1, Item 3 of the Act on the Takeover of Joint Stock Companies -----
8. Report 1 of the Board on the reasons for excluding the shareholders' pre-emptive rights when subscribing for new Company shares -----
9. Decision on the increase of the Company's share capital by stake in rights and issuance of shares with the exclusion of the pre-emptive rights of the Company shareholders -----
10. Decision 1 on amendments to the Company Articles of Association -----
11. Decision 1 on granting approval for acquisition of shares without the obligation to publish a takeover bid -----

12. Decision on simplified reduction of the Company share capital by merging shares to cover losses and transfer of funds to capital reserves -----
13. Decision 2 on amendments to the Articles of Association 1 of the Company -----
14. Report 2 of the Board on reasons for exclusion of shareholders' pre-emptive rights when subscribing for new Company shares -----
15. Decision on the increase of the Company share capital in cash and issuance of new shares with the exclusion of shareholders' pre-emptive rights and on changes to the Articles of Association -----
16. Decision 2 on granting approval to acquisition of shares without the obligation to publish a takeover bid -----

Furthermore, in the said notice, decision proposals were published as follows:

## DECISION PROPOSALS

The Management and the Supervisory Board of the Company propose to the Company General Meeting the adoption of decisions under Items 4 and 5, 7, 9 to 13 and 15 to 16 of the Agenda and the Supervisory Board proposes the adoption of the decision under Item 6 of the Agenda, as follows:

### Ad 4 Decision on the Company Loss Coverage for 2017

Pursuant to Article 275 of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 118/03, 107/07, 137/09, 125/11, 152/11, 111/12, 68/13 and 110/15, hereinafter: ZTD), the General Meeting of Petrokemija, d.d. (the Company) passes the

#### DECISION

on the Company Loss Coverage

##### Article 1

The loss generated in the Company business in 2017 in the total amount of HRK 242,616,914.85 will be covered by the simplified reduction of the Company registered capital in accordance with the special decision of the General Meeting on the simplified reduction of the Company share capital by the merger of shares, namely from HRK 492,903,930, 00 by the amount of HRK 392,616,920.00 to HRK 100,287,010.00. This will be preceded by the increase of the share capital according to the special decision of the General Meeting on the increase of the Company registered capital by stake rights, namely from HRK 42,903,930.00, by the amount of HRK 450,000,000.00 to HRK 492,903,930.00.

##### Article 2

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

Ad 5 Decisions on granting clearance to the members of the Management and Supervisory Board:

### 5.1. Decision on granting clearance to members of the Management Board

Pursuant to Article 276 of the Companies Act (Official Gazette No. 111/93, 34/99, 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, d.d. (the Company) passes the

#### DECISION

on granting clearance to the members of the Management Board

##### Article 1

It was established that in 2017 members of the Petrokemija, d.d. Board ran the Company activities in accordance with the law and the Articles of Association, and they are given clearance.

##### Article 2

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

#### 5.2. Decision on granting clearance to members of the Supervisory Board

Pursuant to Article 276 of the Companies Act (Official Gazette No. 111/93, 34/99, 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, d.d. passes the

#### DECISION

on granting clearance to the Supervisory Board members

##### Article 1

It was established that in 2017 the members of the Petrokemija, d.d. 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 they are given clearance.

##### Article 2

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

#### Ad 6 Decision on Appointment of Auditors for 2018

Pursuant to Article 275, paragraph 1, Item 4 of the Companies Act (Official Gazette No. 111/93, 34/99, 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, d.d. passes

#### DECISION

on appointing auditors for Petrokemija d.d for 2018

##### Article 1

Deloitte d.o.o. from Zagreb are appointed auditors for Petrokemija, d.d. for the year 2018.

##### Article 2

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

Ad 7 Decisions on repeal of Decisions adopted at the General Meeting of Petrokemija, d.d. held on 11 December 2017, namely:

7.1. Decision on repeal of the Decision on the complete exclusion of pre-emptive rights of existing shareholders when subscribing for new Company shares;

"The Decision on the complete exclusion of the pre-emptive rights of existing shareholders when subscribing for new Company shares, of December 11, 2017, is repealed.

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

7.2. Decision on the repeal of the Decision on the increase of the Company share capital by deposits in cash and on issuing of new shares with the complete exclusion of the pre-emptive rights of existing shareholders when subscribing for new shares, pursuant to Article 308, paragraph 4 of the Companies Act, with the use of exception of prior publication of the Prospectus for the offered securities, referred to in Article 351, paragraph 1, Item 3 of the Capital Market Act, as well as on changes to the Articles of Association;

"Decision on the increase of the Company share capital by deposits in cash and on issuing new shares with the complete exclusion of the pre-emptive rights of existing shareholders when subscribing for new shares, pursuant to Article 308, paragraph 4 of the Companies Act, with the use of exception of the obligation of prior publication of the Prospectus for the offered securities, referred to in Article 351, paragraph 1, Item 3 of the Capital Market Act, as well as on changes to the Articles of Association of 11 December 2017 is repealed.

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

7.3. Decision on repeal of the Decision on granting approval for acquiring shares without publishing the takeover bid pursuant to the provisions of Article 14, paragraph 1, Item 3 of the Act on Takeover of Joint Stock Companies

„Decision on granting approval for acquiring shares without publishing the takeover bid pursuant to the provisions of Article 14, paragraph 1, Item 3 of the Act on the Takeover of Joint Stock Companies of 11 December 2017 is repealed.

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

Ad 8 Report 1 of the Management Board on the reasons for excluding the shareholders' pre-emptive right in subscribing for new Company shares

In the year ended on 31 December 2017, the Company recorded a loss after tax of HRK 242.6 million, and in the first quarter of 2018 HRK 78.8 million. Furthermore, as on 31 December 2017, the Company had short-term liabilities that exceeded short-term assets by HRK 362.7million, and on 31 March 2018, HRK 436.5 million. As on 31 December 2017, the Company also had a negative capital of HRK 195.8 million and on 31 March 2018 HRK 274.6 million.

Given that the sales prices of mineral fertilizers, despite short-term oscillations, continue to be low, and due to rising natural gas prices and extremely high costs of gas transportation, the growth in purchase prices of other raw materials for the production of fertilizers and the high growth of the price of CO<sub>2</sub>, the Company is unable to service the existing debt.

Continuous lowering of market prices of fertilizers created significant pressure on the liquidity

and solvency of the Company and resulted in negative working capital and financial debt of approximately HRK 820.5 million on 31 December 2017, or HRK 772.4 million on 31 March 2018.

Since 2013, the Company has been continuously implementing comprehensive operational and financial restructuring measures under the Restructuring Plan. The restructuring plan, which has been updated several times, is based on the realization of the following measures primarily aimed at the long-term stabilization of the Company:

- Optimization of the cost of procurement, in particular the cost of natural gas,
- Refocusing production activities,
- Optimization of the working structure,
- Disinvesting or repurposing of non-operative and immovable property and
- Measures of refinancing of debt and recapitalization.

In addition to the restructuring measures implemented so far, in June 2017, the Company initiated the process of introducing strategic and financial investors into the ownership structure, which would recapitalize the Company and provide sufficient liquidity to finalize the restructuring process and stabilize the Company operations over a longer period of time.

The Company expects significant debt repayments in 2018, which it will not be able to service unless extensive restructuring of the Company business is carried out.

Within the above, the Company has also considered the restructuring model, which includes the increase of the share capital by the shares in the rights, i.e. by converting the claims of Republic of Croatia into the Company share capital, in accordance with the Companies Act. The Company Board believes that by implementing this model of increase in share capital, a number of positive effects would be achieved since the Company would be able to settle a part of the liabilities that the Company business is burdened with and would reduce the Company's expenses. By implementing the above mentioned procedure of increasing the share capital, the Company's debt would be reduced, the capital structure would be strengthened, the balance sheet indicators improved and in the event of the impossibility of servicing outstanding debt, adverse consequences would be significantly mitigated.

Consequently, the Company Board proposes to completely eliminate the pre-emptive rights of the existing shareholders to subscribe for new shares because the increase in share capital is carried out as part of the restructuring of the Company business with the aim of reducing the Company indebtedness and expenses and creating conditions for continuous operations and further development of the Company.

In view of the stated business results of the Company, the indebtedness and inadequacy of the Company capital, the Company Board considers the price of HRK 10.00 per share equal to the nominal amount of the share and represents the lowest amount for which the shares can be issued in accordance with Art. 164, paragraph 2 of the Companies Act, appropriate. At the said share price, the Republic of Croatia will, for the entry of its HRK 450 million claims into the Company share capital acquire 45 million newly issued ordinary Company shares.

Ad 9 Decision on the increase of the Company share capital by stake rights and on issuance of shares with the exclusion of the Company shareholders' pre-emptive rights

"Pursuant to Article 304 and Article 305 of the Companies Act (Official Gazette Nos. 111/93, 34/99, 121/99, 118/03, 107/07, 137/09, 125/11, 152/11, 111/12, 68/13 and 110/15, hereinafter: ZTD), the General Meeting of Petrokemija, d.d., Fertilizer Company with headquarters in Kutina, Aleja Vukovar 4, registered in the Court Register of the Commercial Court in Zagreb, company number: 080004355, OIB (tax ID number): 24503685008 (hereinafter: the Company), at its session held at the Company headquarters on July 9, 2018, passes the following

Decision on the increase of the Company share capital by stake rights and on issuance of shares with the exclusion of the pre-emptive rights of the Company shareholders

1. The Company registered capital amounts to HRK 42,903,930.00 (forty two million nine hundred three thousand nine hundred and thirty) and is divided into 4,290,393 (four million two hundred and ninety thousand three hundred and ninety-three) ordinary registered shares of a nominal amount of HRK 10.00 (ten) each. The Company share capital has been paid in full.
2. The Company share capital is increased by the issue of new shares with the payment of stake in rights as described below in this decision.
3. With this decision, the Company share capital is increased from HRK 42,903,930.00 (forty-two million nine hundred three thousand nine hundred and thirty) by the amount of HRK 450,000,000 (four hundred and fifty million) to HRK 492,903,930, 00 (four hundred and ninety-two million nine hundred and thirty thousand nine hundred and thirty), by issuing 45,000,000 (forty-five million) new ordinary registered shares in dematerialized form of HRK 10.00 (ten) nominal amount each.
4. The increase of the Company share capital from Item 3 of this Decision shall be made as follows:
  - (1) by converting claims amounting to HRK 450,000,000.00 (four hundred and fifty million) arising from:
    - (i) Loan Agreement No. 5000563801 of 18 May 2017, amended on 27 December 2017, by Annex No. 1 and on 29 March 2018, by Annex No. 2 to the same contract (Loan Agreement 1), and the relevant Contract on Transfer and Sale of Claims as per Loan Agreement 1, concluded on 28 May 2018 and Annex to Loan Agreement 1, of 28 May 2018.
    - (ii) Loan Agreement No: RG-04/2017 of 19 May 2017, amended on 5 December 2017 by Annex I and on 28 March 2018 by Annex II (Loan Agreement 2) and the related Contract on Transfer and Sale of Claims under Loan Agreement 2, concluded on 28 May 2018, and Loan Agreement 2, of 28 May 2018.
    - (iii) Loan Agreement No: RG-10/2016 of 1 September 2016, amended on 12 January 2017, by Annex I (Loan Agreement 3), and the relevant Contract on Transfer and Sale of Claims as per Loan Agreement 3, concluded on 28 May 2018, and Annex to Loan Agreement 3, of 28 May 2018.
    - (iv) Long-Term Loan Agreement No. 21/2017-HPB / HBOR of 19 May 2017, amended on 28 March 2018, by Annex I and on 22 May 2018 by Annex II (Loan Agreement 4) and the related Contract on Transfer and Sale of a Part of Claims under Loan Agreement 4,

concluded on 28 May 2018 and Loan Agreement 4, of May 28, 2018. (Hereinafter: Invested Claims)

and

- (2) by issuing 45,000,000 (forty-five million) new ordinary registered shares, in a dematerialized form, of a HRK 10.00 (ten) nominal amount each (hereinafter: "New Shares").
5. The amount at which the New Shares are issued (Article 307, paragraph 1, Item 2 of the ZTD) shall be set at HRK 10.00 (ten) for one New Share.
6. New Shares entitle the holder to the same rights as all other ordinary shares issued by the Company.
7. The new shares will be subscribed for by a written statement referred to in Article 307, paragraph 1 of the ZTD (hereinafter: Subscription Form). The payment for the New Shares will be made on the basis of an Agreement on Entry of Invested Claims concluded between the Subscriber and the Company.
8. The deadline for the subscription of New Shares and the conclusion of an Agreement on Entry shall be determined by the Company Management Board in the invitation to the investor referred to in point 9 of this Decision on subscription for New Shares and signing the Agreement on Entry. In order to avoid any doubt, if the subscription and payment for the New Shares are fully effected before the expiration of the deadlines set by the Company Management Board, the Board is authorized to conclude the issuance without waiting for these deadlines.
9. All new shares will be subscribed and paid for in the manner described above REPUBLIC OF CROATIA, OIB: 52634238587, represented by RESTRUCTURING AND SALE CENTER, Zagreb, Ivana Lučića 6, OIB: 38083028711. Therefore, pursuant to the provision of Article 308, paragraph 4 of the ZTD, this decision entirely excludes the pre-emptive right of the Company shareholders to subscribe for New Shares.
10. The new shares will be issued in an dematerialized form, in the form of an electronic record in the CDCC computer system, with the ticker assigned by the CDCC. Each share entitles one to one vote at the Company General Meeting. The shares are registered and shall give the shareholders all the rights established by the Law and the Company Articles of Association from the date of the entry of the share capital increase in the court register. New shares will be listed for trading on the regulated market of the Zagreb Stock Exchange d.d., to the official market, in accordance with relevant regulations. New Company shares will be eligible for trading on the official market after their listing on the regulated market.
11. Increase in Share Capital and Issuance of New Shares shall be considered not successful if the registration of the increase of the Company share capital pursuant to Article 309, paragraph 1 of the ZTD is incorporated in the Court Register of the Commercial Court in Zagreb within 12 (twelve) months from the date of the adoption of this Decision. On that day, the Subscription Form ceases to bind the Subscriber.
12. In accordance with Article 351, paragraph 1, Item 3 of the Capital Market Act, the Company issues New Shares with the use of exception of publishing the Prospectus and the Company will not publish the Prospectus for issuing New Shares.
13. This Decision shall enter into force on the date of its adoption."



## Ad 10 Decision 1 on amendments to the Company Articles of Association

"With the invitation and within the meaning of Article 301 of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 118/03, 107/07, 137/09, 125/11, 152/11, 111 / 12, 68/13 and 110/15, hereinafter: ZTD), the General Meeting of Petrokemija, d.d., Fertilizer Company with its headquarters in Kutina, Aleja Vukovar 4, registered in the Court Register of Commercial Court in Zagreb under company number 080004355, OIB (tax ID number): 24503685008 (the Company"), on July 9, 2018 in Zagreb, issues the following

### DECISION 1 ON AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF

Petrokemija, d.d.

#### Article 1

The Articles of Association of Petrokemija, d.d. - full (revised) text of 11 October 2017 (the Articles of Association) paragraphs 1 and 2 of Article 7 are amended so that they read:

"The Company share capital is 492,903,930.00 (four hundred and ninety two million nine hundred three thousand nine hundred and thirty).

The Company share capital is divided into 49,290,393 (forty-nine million two hundred and ninety thousand three hundred and ninety-three) non-materialized ordinary registered shares of HRK 10.00 nominal amount each."

In Article 7 of the Company Articles of Association, after paragraph 2, a new paragraph 3 is added, which reads as follows:

"A portion of the share capital referred to in paragraph 1 of this Article in the amount of HRK 42,903,930.00 (forty-two million nine and three thousand nine hundred and thirty) was paid in cash. A part of the share capital referred to in paragraph 1 of this Article, amounting to HRK 450,000,000 , 00 (four hundred and fifty million) has been fully paid by the shareholder of REPUBLIC OF CROATIA, OIB: 52634238587, represented by the RESTRUCTURING AND SALE CENTER, Zagreb, Ivana Lučića 6, OIB: 38083028711, by converting into capital the claim deriving from:

(i) Loan Agreement No. 5000563801 of 18 May 2017, amended on 27 December 2017, by Annex No. 1 and on 29 March 2018, by Annex No. 2 to the same contract (Loan Agreement 1), and the relevant Contract on Transfer and Sale of Claims as per Loan Agreement 1, concluded on 28 May 2018 and Annex to Loan Agreement 1, of 28 May 2018.

(ii) Loan Agreement No: RG-04/2017 of 19 May 2017, amended on 5 December 2017 by Annex I and on 28 March 2018 by Annex II (Loan Agreement 2) and the related Contract on Transfer and Sale of Claims under Loan Agreement 2, concluded on 28 May 2018, and Loan Agreement 2, of 28 May 2018.

(iii) Loan Agreement No: RG-10/2016 of 1 September 2016, amended on 12 January 2017, by Annex I (Loan Agreement 3), and the relevant Contract on Transfer and Sale of Claims as per Loan Agreement 3, concluded on 28 May 2018, and Annex to Loan Agreement 3, of 28 May 2018.

(iv) Long-Term Loan Agreement No. 21/2017-HPB / HBOR of 19 May 2017, amended on 28 March 2018, by Annex I and on 22 May 2018 by Annex II (Loan Agreement 4) and the related Contract on Transfer and Sale of a Part of Claims under Loan Agreement 4, concluded on 28 May 2018 and Loan Agreement 4, of May 28, 2018.

and

by issuing 45,000,000 (forty-five million) new ordinary registered shares, in a dematerialized form, of HRK 10.00 (ten) nominal amount each and a total nominal amount of 450,000,000.00 (four hundred and fifty million). "

Previous Paragraphs 3 and 4 of Article 7 of the Company Articles of Association become Paragraphs 4 and 5 of the same Article.

Article 2

All other provisions of the Articles of Association remain unchanged.

Article 3

This Decision on the Amendment of the Articles of Association shall enter into force and apply on the date of its entry into the Court Register.

Article 4

The Supervisory Board is authorized to determine the full text of the Articles of Association. "

Ad 11 Decision 1 on granting approval to acquire shares without obligation to publish a takeover bid

"In the capital increase, each acquirer is entitled to, by stake in rights in issuing shares, to acquire new Company shares with voting rights, without the obligation to publish a takeover bid."

Ad 12 Decision on simplified reduction of the Company share capital by merging shares loss coverage and transfer of funds to capital reserves

"Pursuant to Article 349 of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 118/03, 107/07, 137/09, 125/11, 152/11, 111/12, 68/13 and 110/15, hereinafter: ZTD), the General Meeting of Petrokemija, d.d. (the Company) passes the

DECISION

on simplified reduction of the Company share capital by merging shares loss coverage and transfer of funds to capital reserves

1. The Company share capital amounts to HRK 492,903,930.00 (four hundred and ninety-two million nine hundred and three thousand nine hundred and thirty) and is divided into 49,290,393 (forty-nine million two hundred and ninety thousand three hundred and ninety-three) ordinary registered shares of HRK 10.00 (ten) nominal value each. The Company share capital has been paid in full.

2. The share capital is reduced only to cover the loss of the Company realized in 2017 for the purpose of remedying the Company and only after all the reserves have been spent to cover the losses. The amount received by the reduction of the share capital will be used to cover the loss realized in 2017 in the total amount of HRK 242,616,914.85 (two hundred and forty-two million six hundred and sixteen thousand nine hundred and fourteen and eighty-five lipa). The remainder after covering the Company loss in the amount of HRK 150,000.005.15 (one hundred and fifty million five and fifteen lipa) is entered into the Company capital reserves. Due to the reduction of the Company share capital, no payments will be made to shareholders.

3. The subscribed capital in the amount of HRK 492,903,930.00 (four hundred and ninety-two million nine hundred and three thousand nine hundred and thirty) is reduced in simplified procedure by the amount of HRK 392,616,920.00 (three hundred and ninety-two million six hundred and sixteen nine hundred and twenty) to HRK 100,287,010,00 (one hundred million two hundred and eighty-seven thousand ten), where the nominal amount of the ordinary share of HRK 10.00 (ten) will be reduced below the nominal amount prescribed by Article 163, paragraph 2 of the ZTD to the amount of HRK 2.034615752 (two point zero three four six one five seven five two). Consequently, in accordance with Article 349 (3), in conjunction with Article 342, paragraph 4, of the ZTD, the shares will merge in such a way that the so obtained 4.914932950 (four point nine one four nine three two nine five zero) ordinary Company shares will be merged into one (1) new ordinary registered share of HRK 10.00 (ten) nominal amount.

4. For shareholders who after the merger will not hold a full number of shares, the number of shares will be rounded down to the first smaller whole number of shares. The number of shares on their non-materialized securities accounts will be reduced to the first smaller whole number of shares. At the same time, the Company undertakes to pay to each shareholder, the difference in cash through the Central Clearing Depository Company d.d. (CCDC), all in accordance with this Decision and the Instructions of the CCDC. The share price on the release of shares from this point of this decision is HRK 10.00 (ten).

5. After the simplified reduction of the share capital, the Company share capital is HRK 100,287,010.00 (one hundred million two hundred and eighty-seven thousand ten) and is divided into 10,028,701 (ten million twenty-eight thousand seven hundred and one) ordinary share, of HRK 10,00 (ten) nominal amount each.

6. All costs of reducing the share capital and merging of the shares shall be borne by the Company."

#### Ad 13 Decision 2 on Amendments to the Articles of Association 1 of the Company

"With the invitation and within the meaning of Article 301 of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 118/03, 107/07, 137/09, 125/11, 152/11, 111 / 12, 68/13 and 110/15, hereinafter: ZTD), the General Meeting of Petrokemija, d.d., Fertilizer Company with its headquarters in Kutina, Aleja Vukovar 4, registered in the Court Register of Commercial Court in Zagreb under company number 080004355, OIB (tax ID number): 24503685008 (the Company"), on July 9, 2018 in Zagreb, issues the following

DECISION 2 ON AMENDMENTS TO THE ARTICLES OF ASSOCIATION 1 OF  
Petrokemija, d.d.

## Article 1

The Articles of Association 1 of Petrokemija, d.d. – full (revised) text of 9 July 2018, are amended, namely Article 7, paragraphs 1 and 2, so that they read:

"The Company share capital is HRK 100,287,010.00 (one hundred million two hundred eighty-seven thousand ten).

The Company share capital is divided into 10,028,701 (ten million twenty-eight thousand seven hundred and one) non-materialized ordinary registered shares, of HRK 10.00 nominal amount each. "

Article 7 of the Company Articles of Association is amended to read as follows:

"A portion of the share capital referred to in paragraph 1 of this Article in the amount of HRK 91,557,710.00 (ninety-one million five hundred and fifty seven thousand seven hundred and ten) has been fully paid by the shareholder REPUBLIC OF CROATIA, OIB: 52634238587, represented by the RESTRUCTURING AND SALE CENTER, Zagreb, Ivana Lučića 6, OIB: 38083028711, by investing claims in the total amount of HRK 450,000,000.00 (four hundred and fifty million), pursuant to the Decision on the increase of the share capital by stake of rights and issuance of shares with the exclusion of the Company shareholders' pre-emptive rights of 9 July 2018, by converting into capital the claims deriving from:

(i) Loan Agreement No. 5000563801 of 18 May 2017, amended on 27 December 2017, by Annex No. 1 and on 29 March 2018, by Annex No. 2 to the same contract (Loan Agreement 1), and the relevant Contract on Transfer and Sale of Claims as per Loan Agreement 1, concluded on 28 May 2018 and Annex to Loan Agreement 1, of 28 May 2018.

(ii) Loan Agreement No: RG-04/2017 of 19 May 2017, amended on 5 December 2017 by Annex I and on 28 March 2018 by Annex II (Loan Agreement 2) and the related Contract on Transfer and Sale of Claims under Loan Agreement 2, concluded on 28 May 2018, and Loan Agreement 2, of 28 May 2018.

(iii) Loan Agreement No: RG-10/2016 of 1 September 2016, amended on 12 January 2017, by Annex I (Loan Agreement 3), and the relevant Contract on Transfer and Sale of Claims as per Loan Agreement 3, concluded on 28 May 2018, and Annex to Loan Agreement 3, of 28 May 2018.

(iv) Long-Term Loan Agreement No. 21/2017-HPB / HBOR of 19 May 2017, amended on 28 March 2018, by Annex I and on 22 May 2018 by Annex II (Loan Agreement 4) and the related Contract on Transfer and Sale of a Part of Claims under Loan Agreement 4, concluded on 28 May 2018 and Loan Agreement 4, of May 28, 2018.

and

by issuing 45,000,000 (forty-five million) new ordinary registered shares, in a dematerialized form, of HRK 10.00 (ten) nominal amount each and a total nominal amount of 450,000,000.00 (four hundred and fifty million). " The above mentioned share of the share capital amounting to 91,557,710.00 (ninety-one million five hundred and fifty seven thousand seven hundred and ten) remained after the reduction of the Company share capital pursuant to the decision of the General Meeting on simplified reduction of the Company's share capital by merging shares for loss coverage and transfer of funds to the capital reserve of July 9, 2018. That part of the Company registered capital is divided into

9,155,771 (nine million hundred fifty-five thousand seven hundred and seventy-one) ordinary shares of HRK 10.00 (ten) nominal amount each and of total nominal amount of 91,557,710.00 (ninety-one million five hundred fifty-seven thousand seven hundred ten). "

#### Article 2

All other provisions of the Articles of Association remain unchanged.

#### Article 3

This Decision on the Amendment of the Articles of Association shall enter into force and apply on the date of its entry into the Court Register.

#### Article 4

The Supervisory Board is authorized to determine the full text of the Articles of Association.

Ad 14 Report 2 of the Management Board on the reasons for excluding the shareholders' pre-emptive right to subscribe for new Company shares

The restructuring and recapitalization process of the Company is based on the following strategic assumptions:

- Modernization of production facilities with the aim of raising the level of energy and technological efficiency, as well as meeting the environmental requirements in accordance with EU regulations,
- Providing sources of financing permanent working capital,
- More active appearance and strategic positioning on the market of the Republic of Croatia and the region,
- Raising the level of efficiency of maintenance, logistical and other service processes in the Company that will achieve a positive financial result, stability and development of the Company.

In order to provide funds to achieve these strategic assumptions, improve the capital structure and financial indicators and successfully complete the entire restructuring process, which should contribute to achieving positive financial results of the Company in the future, faster business stabilization and further development, urgent completion of the Company recapitalization process is necessary by increasing its share capital by investing in cash by strategic and financial investors who would participate in recapitalization with significant funds.

In view of the required amount of recapitalization and the urgency of collecting fresh capital for stabilizing the Company operations, the Company Management Board proposes adopting a decision on the procedure of increasing the share capital by issuing new shares for which only those investors would subscribe who can invest a minimum of 10 (ten) million kuna. This also allows the issuance of ordinary shares with the use of the right of exception from the obligation to publish a prospectus regarding the public offer in accordance with Article 351, paragraph 1, Item 3 of the current Capital Market Act, which would shorten the time needed to collect the necessary funds. Accordingly, the Board proposes adopting a decision on the procedure for increasing the share capital by issuing new shares with the full

exclusion of the shareholders' pre-emptive right to subscribe for the new shares. If all shareholders were given the right to subscribe for new shares, such a procedure would be time-consuming and affect the inflow of the new capital, taking into account the statutory deadlines that must be respected in the right of pre-emption and the prospectus approval deadlines for a public offering. Therefore, the Board believes that the proposed use of exclusion of pre-emptive rights to shareholders in subscribing and payment would prevent a more demanding and long-lasting process of public offering, which could have a negative impact on the Company's business and financial position.

Successful and timely completion of the increase in share capital would create prerequisites and raise funds for the necessary investments and improve the liquidity of the Company. Success in the implementation of the increase in share capital would significantly improve key balance indices and create positive effects for continued operations of the Company and would enable the Company to open a new development cycle in which all its present potential could be used - from a favorable location, well-maintained production and logistics systems to expert labor force. Otherwise, the prolongation of the recapitalization process could have a negative impact on the financial position of the Company business and its competitiveness on the domestic and foreign markets and consequently also on the implementation of the Company business plans and on the financial performance of the recapitalization if it were to be postponed.

Taking into account all of the foregoing and considering the business results, indebtedness and inadequacy of the Company's capital, the new shares will be offered for sale at a price equal to the nominal amount of the share, i.e. HRK 10.00. An increase in the Company's registered capital will be effected by cash payment by issuing at least 40,000,000 (forty million) up to 45,000,000 (forty-five million) new ordinary shares for a nominal value of 10.00 kuna.

Ad 15 Decision on increase of the Company share capital in cash and issuance of new shares with the exclusion of shareholders' pre-emptive rights and changes to the Company Articles of Association

"Pursuant to Article 304 and Article 308 of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 118/03, 107/07, 137/09, 125/11, 152/11, 111/12, 68/13 and 110/15, hereinafter: ZTD), the General Meeting of Petrokemija, d.d. (the Company) passes the

## DECISION

on increase of the Company share capital by investing in cash with the exclusion of shareholders' pre-emptive rights and on changes to the Company Articles of Association

1. The Company share capital is HRK 100,287,010.00 (one hundred million two hundred and eighty-seven thousand ten) and is divided into 10,028,701 (ten million twenty-eight thousand seven hundred one) ordinary shares of HRK 10.00 (ten) nominal value each. The Company share capital has been paid in full.

2. The Company share capital is increased by the issue of new shares with cash deposits to raise funds for investments that ensure and improve the production, restructuring and financing of the current business.

3. According to this decision, the Company share capital is increased from the amount of HRK 100,287,010.00 (one hundred million two hundred and eighty-seven thousand ten) by a maximum of HRK 450,000,000.00 (four hundred and fifty million) to the amount of HRK 550,287,010 .00 (five hundred and fifty million two hundred and eighty-seven thousand ten).

4. The increase of the Company share capital from point 3 of this Decision shall be effected by cash payment by issuing a minimum of 40,000,000 (forty million) up to a maximum of 45,000,000 (forty-five million) new ordinary shares of HRK 10.00 (ten) nominal value each (hereinafter: New Shares).

5. The amount for which the New Shares are issued (Article 307, paragraph 1, Item 2 of the ZTD) shall be set at HRK 10.00 (ten) for one New Share (New Shares Issue Price).

6. The shares will be subscribed in a written statement (Subscription Form). The payment of the shares will be made on the Company account for special purposes, which will be opened in the Company business bank and will be listed in the public offer and in the Subscription Form.

7. Subscription and Payment of New Shares will be conducted through a one-round public offering procedure. The right to subscribe for New Shares will be provided for all interested investors, provided the minimum payment for the shares subscribed is HRK 10,000,000.00 (ten million), and the maximum that of 45,000,000 (forty-five million) New Shares or up to HRK 450,000,000.00 (four hundred and fifty million) of the Company registered capital. The period for subscription and payment for the New Shares will be determined by the Company Management Board in a public call to subscribe for New Shares. In the public call, investors will be given a detailed indication of the place and time provided for the subscription of new shares by means of Subscription Forms. An individual investor may subscribe and pay for a minimum of 1,000,000 (one million) New Shares (hereinafter: Minimum Subscription). In order to avoid any doubt, if the subscription and payment of the New Shares are fully effected before the expiration of the deadlines set by the Company Management Board in the public call, the Company Board is authorized to conclude the issue without waiting for the expiry of the deadlines.

8. Subscription Forms subscribing for less than the Minimum Subscription will not be considered. Subscription Forms subscribing for more than the number of the offered New Shares will be considered only to the extent of the number of New Shares offered. The Company Management Board, with the consent of the Supervisory Board, shall issue the rules for the allocation of shares and shall publish them in the public invitation to subscribe for New Shares, in case the total number of subscribed and paid for shares exceeds the number of the New Shares offered.

9. The subscription and payment for the shares will be made in the manner specified in the public call for investors to subscribe for New Shares. The Company Board is authorized to decide on its own when it will announce the invitation to subscribe for New Shares. The call to subscribe for New Shares will be posted on the web pages of the Zagreb Stock Exchange and on the Company web site.

10. In case the Company shares for the shareholder's account are kept by the custodian bank, the custodian bank must indicate the name and surname (company), OIB and the address of residence (headquarters) of the ultimate investor. Otherwise, such persons will not be entitled to participate in the subscription of New Shares.

11. The Company share capital increase under this Decision shall be effected with the full exclusion of the Company shareholders' pre-emptive right to subscribe for new Company Shares, in accordance with the provisions of Article 308, paragraph 4 of the ZTD.

12. Pursuant to Article 351, paragraph 1, Item 3 of the Capital Market Act, the Company issues the shares with the exception of the publication of the prospectus for the purposes of issuing the New Company Shares.

13. The final amount of capital increase will depend on the success of the issue, i.e. on the number of shares subscribed and paid for. The issue of shares shall be deemed to be successfully executed if at least 40,000,000 (forty million) New Company Shares are subscribed and paid for by investors within the stipulated deadlines for subscription and payment. The Company Management Board, with the consent of the Supervisory Board, will determine the success of the share issue, the exact amount of increase in share capital and the correct number of new ordinary shares. The Company Supervisory Board is hereby authorized to, after the increase of the share capital, pursuant to this Decision, harmonize the provisions of the Company Articles of Association as regards the amount of the share capital and the number of shares in the full text of the Company Articles of Association 2 with the changes that have been made by increasing the share capital and issuance of New Shares, as given in more detail in point 18 of this Decision. If the subscription of New Shares is not successful, the Company will repay the paid funds to the investors within 7 (seven) business days after the expiry of the latest deadline for the payment of the funds, to the account number that the investors have indicated in the Subscription Form. In this case, the Company shall not be liable to pay for the funds transfer or any other costs incurred by the investor on for the transaction, nor shall the Company pay interest to the investors for the period from the payment of the funds to the Company account, referred to in point 6 of this Decision, to the time the funds are returned to the investors

14. New shares shall be entitled to the same rights and rank as any existing Company shares. They will be issued in a dematerialized form, in the form of an electronic record in the CDCC computer system, with the ticker assigned by the CDCC. Each share entitles one to one vote at the Company General Meeting. The shares are registered and shall give the shareholders all the rights established by the Law and the Company Articles of Association from the date of the entry of the share capital increase in the court register. New shares will be listed for trading on the regulated market of the Zagreb Stock Exchange d.d., to the official market, in accordance with relevant regulations. New Company shares will be eligible for trading on the official market after their listing on the regulated market.

15. In case of overpayment by individual investors, the Company shall return the overpayments of funds to those investors to the number of account indicated in the Subscription Form within 7 (seven) business days after the expiration of the last period for payment of New Shares. The Company shall not be liable for any payment or other costs incurred by the investor on the basis of execution of the transaction nor will it pay to the investors interest for the period from the payment of the funds to the Company account referred to in Item 6 of this Decision until the time of return of the said funds to the Investors.

16. If the increase in share capital is not entered in the court register within 12 (twelve) months of the date of the adoption of this decision, the Subscription Form ceases to oblige the investors and the payment made shall be returned to the investors without delay. In that case, it will be considered that the increase in share capital and the issuance of shares has not been carried out successfully.

17. For all that is not regulated by this Decision, the applicable laws and the Company Articles of Association shall apply.



18. The Company Articles of Association 2 amended at today's Company General Meeting in Article 7 paragraph 1 and paragraph 2 shall be amended in such a way that after the issue of the New Company Shares and conducting the Company share capital increase pursuant to this Decision and the result of the entry of New Company Shares, the amount of the Company registered capital in Article 7, paragraph 1 and the number of shares in paragraph 2 of the same Article of the Company Articles of Association is changed. In this respect, the Company Supervisory Board is authorized and obliged, given the amount of increase of the Company registered capital and the number of new Company shares in accordance with the results of the Company New Shares subscribed and paid for to: a) harmonize the provisions of Article 7 paragraph 1 of the Company Articles of Association 2 in the related part on the amount of the Company share capital and in paragraph 2 of the same Article of the Articles of Association which refers to the number of Company shares to which the Company share capital is divided, in such a way that the amount of the Company share capital in paragraph 1 of Article 7 of the Articles of Association 2 of the Company is replaced with the number corresponding to the increased amount of the Company share capital, and in paragraph 2 of Article 7 of the Articles of Association 2 the number of Company shares is replaced by the number of shares corresponding to the sum of the previous number of shares and Company shares issued to increase the share capital determined by this Decision, and b) establish the revised text of the Articles of Association 3. The Amendments to the Articles of Association 3 enter into force with the date of entry in the Court Register.

19. This Decision shall enter into force on the date of its adoption. The Management Board of the Company is authorized to file an application for entry of the decision in the Court Register of the competent Commercial Court."

Ad 16. Decision on granting approval to acquire shares without obligation to publish a takeover bid pursuant to the provisions of Article 14, paragraph 1, Item 3 of the Act on the Takeover of Joint Stock Companies

"In the capital increase, each acquirer is entitled to, by stake in rights in issuing shares, to acquire new Company shares with voting rights, without the obligation to publish a takeover bid."

Furthermore, in the notice of 30 May 2018, posted on the website of the Court Register, it was published as follows:

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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 2 July 2018.

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 legal entity registered in the Book of Shares as on 2 July 2018, 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, 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 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 Finance and Controlling, Ulica kralja Petra Krešimira IV, Kutina, from 8:00 to 14:00 hours every business day (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 Company General Meeting). 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 9 July 2018 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 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 Monday, 25 July 2018, starting at 12.00 hours.

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)).

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

Đuro Popijač MS, President of the Petrokemija Board

First, the Company General Meeting Chairman, Mr Šepak, read out the Agenda for today's General Meeting.

Thereafter, the Meeting proceeded to elaborate the Agenda as follows:

**Under Item 1 of the Agenda (Opening of the General Meeting and establishing the list of participants)** -----

The Company General Meeting Chairman of the, Mr. Šepak, stated that at today's Meeting, a total of 4,290,393 (four million two hundred and ninety thousand three hundred and ninety-three) voting shares were represented by 3,848,030 (three million eight hundred and forty-eight thousand thirty) shares / votes, which makes 89.71% of the total voting shares, so that that the requirements for today's General Meeting have been met.-----

Namely, according to Article 31, paragraph 1 of the Company Articles of Association, the General Meeting can pass valid decisions if the shareholders or their proxies participate individually or jointly with shares whose nominal value exceeds 50% (fifty percent) of the Company share capital at the time of the General Meeting. -----

Then, the Company General Meeting Chairman, Mr. Mijo Šepak, signed the List of Participants, attached to these Minutes, gave it to the participants for perusal and read out the List of Participants or their proxies. -----

The participants were informed that the discussions at today's General Meeting would be audio-recorded by the notary public to facilitate the notary public's activities (preparing the Minutes). However, each of the participants in the discussion could ask for his discussion not to be recorded.-----

It is to be pointed out that the General Meeting Chairman, Mr. Šepak determined that the voting on all Items of the Agenda would be, pursuant to Art. 30 sub-paragraph 7 of the Articles of Association, conducted in the following manner: -----

Upon arrival at the General Meeting, each shareholder registers and gets their notebook (tablet). The distribution of notebooks is done in such a way that each shareholder, upon registration, receives a definite number /code of the notebook at the registration desk. Thus, each shareholder gets a notebook containing the exact number of shares that they have and that is attached in the base to their name and the number of shares. -----

After the registration of all shareholders is closed, and after the completed base is entered in the voting system (in which all the questions and all Items on the Agenda have already been entered), the voting can begin by announcement of the quorum. -----

In the voting procedure, the Company General Meeting chairperson announces voting on a certain Agenda Item: a slide, associated with this voting with available options is shown on the screen (for - against). -----

The shareholders vote by pressing the chosen option (FOR - AGAINST) on their tablets. The chairperson observes the number of information / votes on the screen and after some ten seconds, once the shareholders have sent their votes - the chairperson closes collecting of votes. In a second or two, the system calculates the votes and displays them as a new slide on the screen, in a table including categories (for - withheld - against - total - did not vote) with the number of votes for each category.-----

After that, the chairperson announces the results of the voting.-----

Where necessary, ad-hoc entering of counter proposals or additional Items for voting is possible, i.e. it is provided for by the electronic system.-----

It should be noted that Mr Mladen Ostrički of VOBCO, Varaždin, Zagrebačka 61/IV, the company in charge of electronic collecting and processing the votes at today's Company General Meeting, explained the method of voting, i.e. the procedure each shareholder (proxy) should follow when voting.-----

After that, the Meeting moved on to the next Agenda Item.-----

**Under Item 2 of the Agenda (Annual Financial Statements for 2017, after having been determined by the Management, the Supervisory and the Management Board Report and the Independent Auditor's Report on the Company's Financial Statements as at 31 December 2017)**

At today's Company General Meeting, under this Agenda Item, it was submitted in writing as follows:

1. Profit and Loss Account for the period from 01.01.2017. (first January two thousand seventeen) to 31.12.2017. (thirty-first December two thousand seventeen) of 21 April 2018 (twenty-first April two thousand eighteen), (3 pages) -
2. Company Balance Sheet for the period 01.01.2017 (first January two thousand seventeen) to 31.12.2017. (thirty- first December two thousand seventeen) of 21 April 2018 (twenty-first April two thousand eighteen), (4 pages)
3. Cash Flow Statement - Direct method for the period 01.01.2017 (first January two thousand seventeen) to 31.12.2017. (thirty- first December two thousand seventeen) of 21 April 2018 (twenty-first April two thousand eighteen) (page 1)
4. Report on changes in equity of the company from 01.01.2017. (first January two thousand seventeen) to 31.12.2017. (thirty- first December two thousand seventeen) of 21 April 2018 (twenty-first April two thousand eighteen), (page 4)
5. Consolidated Balance Sheet of the Company from 01.01.2017. (first January two thousand seventeen) to 31.12.2017. (thirty- first December two thousand seventeen) of 25 April 2018 (twenty-fifth April two thousand eighteen), (4 pages)
6. Consolidated Profit and Loss Account for the period 01.01.2017 to (first January two thousand seventeen) to 31.12.2017 (thirty- first December two thousand seventeen) of 25 April 2018 (twenty-fifth April two thousand eighteen), (3 pages)
7. Consolidated cash flow statement - Direct method for the period 01.01.2017 to (first January two thousand seventeen) to 31.12.2017 (thirty- first December two thousand seventeen) of 25 April 2018 (twenty-fifth April two thousand eighteen), (1 page)
8. Consolidated Statement of Changes in Equity for the period from 01.01.2017 to 31.12.2017 (first January two thousand seventeen to thirty- first December two thousand seventeen) of 25 April 2018 (twenty-fifth April two thousand eighteen), (4 pages)
9. Decision of the Company Supervisory Board No. 3/2018 dated 30 April 2018 (thirtieth of April two thousand eighteen) on approval of the financial statements for 2017 (two thousand seventeen) (1 page)

10. Decision of the Company Supervisory Board No. 4/2018 dated 30 April 2018 (thirtieth of April two thousand eighteen) on the approval of the consolidated financial statements for the year 2017 (two thousand seventeen) (1 page)

11. Proposals of decisions of the Company Management and Supervisory Board No. 6/2018 of 29.5.2018 (twenty-ninth of May two thousand eighteen) (12 pages)

12. Proposal of Decision of the Supervisory Board No. 7/2018 dated 29 May 2018 (twentieth of May two thousand eighteen) on appointment of auditors of Petrokemija, d.d. for 2018 (two thousand eighteen) (1 page)

14. Company Management Board Report as on 31 December 2017 (thirty- first December two thousand seventeen) of 11.05.2018 (eleventh of May, two thousand eighteen) (6 pages)

15. Decision of the Management Board No. OD-89/2018 of 30 April 2018 (thirtieth April two thousand eighteen) on the preparation of the revised Annual Financial Statements for 2017 (two thousand seventeen) (1 page)

16. Decision of the Management Board No. OD-90/2018 of 30 April 2018 (thirtieth April two thousand eighteen) on the preparation of the revised Consolidated Financial Statements for 2017 (two thousand seventeen) (1 page)

17. Annual report of Petrokemija, d.d. for the year ended 31 December 2017 (two thousand seventeen), consisting of the following parts: -----

Company Management Board Report for 2017 -----  
- Statement on Application of Corporate Governance Code -----  
- Statement of Management Responsibility -----  
- Independent Auditors' Report -----  
- Non-consolidated Report on comprehensive income -----  
- Non-consolidated Report of Financial Position -----  
- Non-consolidated Report on Changes in Equity -----  
- Non-consolidated Cash Flow Statement -----  
- Notes (form an integral part of the financial statements). -----

18. Consolidated Annual Report for Petrokemija, d.d. and subsidiaries for the year ended on 31 December 2017 (thirty-first December two thousand seventeen), consisting of the following parts: -----

Company Management Report for Petrokemija Group for 2017 -----  
- Statement on Application of Corporate Governance Code -----  
- Statement on Management Responsibility-----  
- Independent Auditors' Report -----  
- Consolidated Report on Comprehensive Income -----  
- Consolidated Report on Financial Position -----  
- Consolidated Report on Changes in Equity -----  
- Consolidated Cash Flow Statement -----  
- Notes (form an integral part of the financial statements).

There was no request for the abovementioned written materials to be read out .-----

The President of the Management Board, Mr. Đuro Popijač, gave an additional detailed account of the Company Annual Reports for 2017 (two thousand seventeen) .-----

There was no further discussion under this Item of agenda. -----

The Company General Meeting Chairman, Mr. Mijo Šepak, informed the Meeting that there was no voting under this Agenda Item. -----

Then the Meeting went on to the next Agenda Item. -----

**Under Item 3 of the Agenda (Supervisory Board Report)** -----

-

Under this Agenda Item for today's Company General Meeting it was submitted in writing as follows: -----

- Report of the Supervisory Board to the General Meeting of Petrokemija, d.d. for 2017 (two thousand seventeen) of 29.5.2018. (twenty-ninth of May two thousand eighteen) (5 pages) -

There was no request for the abovementioned Report to be read out. -----

There was no discussion under this Item of agenda. -----

-

The Company General Meeting Chairman, Mr. Mijo Šepak, informed the Meeting that there was no voting under this Agenda Item. -----

Then the Meeting went on to the next Agenda Item. -----

**Under Item 4 of the Agenda (Decision on Coverage of the Company Losses in 2017)** -----

Under this Agenda Item for the present Company General meeting, no special written material was submitted .-----

There was no discussion under this Item of agenda. -----

-

The General Meeting Chairman of the Company, Mr. Mijo Šepak, put to vote the following decision proposal of the Company Management and Supervisory Board: -----

"Pursuant to Article 275 of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 118/03, 107/07, 137/09, 125/11, 152/11, 111/12, 68/13 and 110/15, hereinafter referred to as "ZTD"), the General Meeting of Petrokemija, d.d. (the Company) adopts the -----

-

DECISION

on the Company Loss Coverage

Article 1

The loss incurred in the Company business in 2017 (two thousand seventeen) in the total amount of HRK 242,616,914.85 (two hundred and forty-two million six hundred and sixteen thousand nine hundred and fourteen and eighty-five lipa) will be covered by the simplified reduction of the Company registered capital according to a special decision of the General Meeting on the simplified reduction of the Company share capital by merging the shares, from HRK 492,903,930.00 (four hundred and ninety two million nine hundred and three

thousand nine hundred and thirty) by an amount of HRK 392,616,920.00 (three hundred and ninety two million six hundred and sixteen thousand nine hundred and twenty) to the amount of HRK 100,287,010.00 (one hundred million two hundred and eighty-seven thousand ten). It will be preceded by the increase of the share capital according to the special decision of the Company General Meeting on increase of the Company share capital from HRK 42,903,930.00 (forty-two million nine hundred and three thousand nine hundred and thirty) by HRK 450,000,000.00 (four hundred and fifty million) to the amount of HRK 492,903,930.00 (four hundred and ninety-two million nine hundred and three thousand nine hundred and thirty).

## Article 2

This Decision shall enter into force on the day of its adoption. "-----

After voting, General Meeting Chairman, Mr. Mijo Šepak announced that the proposed decision was adopted unanimously with the following voting results: -----

|  |                  |                         |
|--|------------------|-------------------------|
| <b>Present at the Meeting representing</b> | <b>3,848,030</b> | <b>votes</b>            |
| <b>Number of given votes representing</b>  | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of FOR votes</b>                 | <b>3,848,030</b> | <b>votes</b>            |
| <b>Number of AGAINST votes</b>             | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Withheld</b>                            | <b>3,848,030</b> | <b>votes</b>            |
|  | <b>0</b>         | <b>votes</b>            |
|  | <b>0</b>         | <b>votes</b>            |

It is to be pointed out that there was no expressed opposition to the adopted decision.

Thereafter the meeting moved to the next Agenda Item.

### **Under Agenda Item 5 (Decision on giving clearance to Management and Supervisory Board members;**

#### **5.1- Decision on giving clearance to Management Board members**

#### **5.2 - Decision on giving clearance to Supervisory Board members)**

Under this Agenda Item, no special written documents were submitted for today's General Meeting.

There was no discussion about this Agenda Item.

The General Meeting Chairman, Mr. Šepak, put to vote the decision proposal of the Management and Supervisory Board as follows:

" In line with Article 276 of the Companies Act (OG No. 111/93, 34/99/52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 11/12, 68/13 and 110/15), the General Meeting of Petrokemija, d.d. (the Company) is passing the following

#### **DECISION**

on granting clearance to Management Board Members

## Article 1

It was established that Members of the Board of Petrokemija, d.d. were running the business of the Company in 2017 in accordance with the law and the Articles of Association, so they are granted clearance.

#### Article 2

This decision becomes effective on the day of its passing."

After the voting, the Company General meeting Chairman, Mr. Mijo Šepak announced that the decision proposal was adopted unanimously, with voting results as follows:

|                                |                  |                         |
|--------------------------------|------------------|-------------------------|
| <b>Present at the Meeting</b>  | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of given votes</b>   | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of FOR votes</b>     | <b>3,848,030</b> | <b>votes</b>            |
| <b>Number of AGAINST votes</b> | <b>0</b>         | <b>votes</b>            |
| <b>Withheld</b>                | <b>0</b>         | <b>votes</b>            |

There was no expressed opposition to this decision.

After that, the Chairman, Mr. Šepak put the decision proposal of the Company Management and Supervisory Board on vote as follows:

"In line with Article 276 of the Companies Act (OG No. 111/93, 34/99/52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13 and 110/15), the General Meeting of Petrokemija, d.d. is passing the following

#### DECISION

on granting clearance to Supervisory Board members

#### Article 1

It was established that members of the Supervisory Board of Petrokemija, d.d. performed their functions as Supervisory Board members in 2017 (two thousand seventeen) in accordance with the law and Articles of Association, so they are given clearance.

#### Article 2

This decision becomes effective on the day of its passing.

After voting, the General Meeting Chairman, Mr. Šepak, announced that the said decision proposal was adopted unanimously, with voting results as follows:

|                                |                  |                         |
|--------------------------------|------------------|-------------------------|
| <b>Present at the Meeting</b>  | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of given votes</b>   | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of FOR votes</b>     | <b>3,848,030</b> | <b>votes</b>            |
| <b>Number of AGAINST votes</b> | <b>0</b>         | <b>votes</b>            |
| <b>Withheld</b>                | <b>0</b>         | <b>votes</b>            |



There was no expressed opposition to this decision.

Thereafter the meeting moved on to the next Agenda Item.

**Under Agenda Item 6 (Decision on appointment of the auditors for 2018)**

Under this Agenda Item, no separate written material had been submitted.

There was no discussion under this Agenda Item.

The General Meeting Chairman, Mr. Mijo Šepak put the following decision proposal of the Company Supervisory Board on appointment of the auditors for 2018 (two thousand eighteen) to vote reading in full as follows:

In line with Article 275, paragraph 1 pt. 4 of the Companies Act (OG No. 111/93, 34/99/52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13 and 110/15), the General Meeting of Petrokemija, d.d. passes the following

**DECISION**

on the appointment of auditors of Petrokemija, d.d. for 2018

Article 1

Deloitte d.o.o. from Zagreb are appointed auditors of Petrokemija, d.d. for the year 2018 (two thousand eighteen).

Article 2

This decision becomes effective on the day of its passing.

After voting, the General Meeting Chairman, Mr Mijo Šepak, announced that the said decision proposal was adopted unanimously, with voting results as follows:

|                                |                  |                         |
|--------------------------------|------------------|-------------------------|
| <b>Present at the Meeting</b>  | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of given votes</b>   | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of FOR votes</b>     | <b>3,848,030</b> | <b>votes</b>            |
| <b>Number of AGAINST votes</b> | <b>0</b>         | <b>votes</b>            |
| <b>Withheld</b>                | <b>0</b>         | <b>votes</b>            |

There was no expressed opposition to this decision.

Thereafter the meeting moved on to the next Agenda Item.

**Under Item 7 of the Agenda** (Decision on Repeal of Decisions of the General Meeting of Petrokemija, d.d. held on 11 December 2017, as follows): -----

7.1. Decision on repeal of the Decision on full exclusion of pre-emptive rights of existing shareholders when subscribing for new Company shares; -----

7.2. Decision on repeal of the Decision on increase of the Company share capital by deposits in money and the issuance of new shares with the complete exclusion of the pre-emptive rights of the existing shareholders when subscribing for new shares pursuant to Article 308, paragraph 4 of the Companies Act, with the exception of the prior publication of the

prospectus regarding the offer of securities referred to in Article 351, paragraph 1, Item 3. Capital Market Act and on amendments to the Articles of Association;

7.3. Decision on repeal of the Decision on granting approval for acquisition of share without Publishing a takeover bid, in accordance with the provisions of Article 14, paragraph 1, Item 3 of the Act on the Takeover of Joint Stock Companies) -----

Under this Agenda Item for today's Company General Meeting, no special written material was submitted. -----

The Company General Meeting Chairman, Mr. Šepak, put the following decision proposal of the Management and Supervisory Board of the Company on repeal the Decision on the complete exclusion of the pre-emptive rights of existing shareholders when subscribing for new Company shares to vote as follows: ----

"The Decision on the complete exclusion of the existing shareholders' pre-emptive rights in subscribing for new Company shares, as of 11 December 2017 (eleventh December two thousand seventeen), is hereby repealed.

This Decision shall enter into force on the day of its adoption."-----

After the voting, the Company General Meeting Chairman, Mr. Mijo Šepak, announced that the proposed draft decision was adopted unanimously with the following voting results:

|                                |                  |                         |
|--------------------------------|------------------|-------------------------|
| <b>Present at the Meeting</b>  | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of given votes</b>   | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of FOR votes</b>     | <b>3,848,030</b> | <b>votes</b>            |
| <b>Number of AGAINST votes</b> | <b>0</b>         | <b>votes</b>            |
| <b>Withheld</b>                | <b>0</b>         | <b>votes</b>            |

There was no expressed opposition to the adopted decision.

Thereafter, the Company General Meeting Chairman, Mr. Šepak put to vote the next proposal of the decision of the Management and Supervisory Board on repeal of the Decision on the Company capital increase by deposits in money and on issuing new shares with full exclusion of the pre-emptive rights of existing shareholders when subscribing for new Company shares in line with Article 308, paragraph 4 of the Companies Act, with use of exception of prior publication of the prospectus for offer of securities from Article 351, paragraph 3 of the Capital Market Act and on amendments to the Articles of Association, as follows:

"Decision on the increase of Company's share capital in money and by issuance of new shares with the complete exclusion of the pre-emptive rights of existing shareholders when subscribing for new shares pursuant to Article 308, paragraph 4 of the Companies Act, with the exception of the prior publication of the prospectus for the offer of securities referred to in Article 351, paragraph 1, Item 3 of the Capital Market Act, as well on amendments to the Articles of Association, of 11.12.2017 (eleventh December two thousand seventeen), is repealed.-----

This Decision shall enter into force on the day of its adoption. "-----

After the voting, the Company General Meeting Chairman, Mr. Mijo Šepak announced that the proposed decision proposal was adopted unanimously with the following voting results: -

|  |                  |                         |
|--|------------------|-------------------------|
| <b>Present at the Meeting representing</b> | <b>3,848,030</b> | <b>votes</b>            |
| <b>Number of given votes representing</b>  | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of FOR votes</b>                 | <b>3,848,030</b> | <b>votes</b>            |
| <b>Number of AGAINST votes</b>             | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Withheld</b>                            | <b>3,848,030</b> | <b>votes</b>            |
|  | <b>0</b>         | <b>votes</b>            |
|  | <b>0</b>         | <b>votes</b>            |

There was no expressed opposition to the adopted decision.-----

Thereafter, the Company General Meeting Chairman, Mr. Šepak put to vote the next proposal of the decision of the Management and Supervisory Board on repeal of the Decision on granting approval for acquisition of shares without publishing a takeover bid, in accordance with the provisions of Article 14, paragraph 1, Item 3 of the Act on the Takeover of Joint Stock Companies), as follows:

"The Decision on granting approval for acquisition of shares without publishing a takeover bid, in accordance with the provisions of Article 14, paragraph 1, Item 3 of the Act on the Takeover of Joint Stock Companies) of 11.12.2017 (eleventh December two thousand seventeen) is repealed.

This Decision shall enter into force on the day of its adoption."-

After the voting, the Company General Meeting Chairman, Mr. Mijo Šepak announced that the proposed decision proposal was adopted unanimously with the following voting results:

|  |                  |                         |
|--|------------------|-------------------------|
| <b>Present at the Meeting representing</b> | <b>3,848,030</b> | <b>votes</b>            |
| <b>Number of given votes representing</b>  | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of FOR votes</b>                 | <b>3,848,030</b> | <b>votes</b>            |
| <b>Number of AGAINST votes</b>             | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Withheld</b>                            | <b>3,848,030</b> | <b>votes</b>            |
|  | <b>0</b>         | <b>votes</b>            |
|  | <b>0</b>         | <b>votes</b>            |

There was no expressed opposition to the adopted decision.-----

Thereafter the meeting moved on to the next Agenda Item.-----

**Under Item 8 of the Agenda** (Report 1 of the Management Board on reasons for the exclusion of pre-emptive rights of the shareholders when subscribing for new Company shares) -----

Under this Agenda Item for today's Company General Meeting, no special written material was submitted. -----

There was no discussion under this Agenda Item.-----

It is noted that in a statement dated 30.05.2018. (thirtieth May two thousand eighteen) on the website of the court register it was posted as follows: -----

Report 1 of the Management Board on the reasons for excluding the shareholders' pre-emptive right in subscribing for new Company shares

In the year ended on 31 December 2017, the Company recorded a loss after tax of HRK 242.6 million, and in the first quarter of 2018 HRK 78.8 million. Furthermore, as on 31 December 2017, the Company had short-term liabilities that exceeded short-term assets by HRK 362.7million, and on 31 March 2018, HRK 436.5 million. As on 31 December 2017, the Company also had a negative capital of HRK 195.8 million and on 31 March 2018 HRK 274.6 million.

Given that the sales prices of mineral fertilizers, despite short-term oscillations, continue to be low, and due to rising natural gas prices and extremely high costs of gas transportation, the growth in purchase prices of other raw materials for the production of fertilizers and the high growth of the price of CO<sub>2</sub>, the Company is unable to service the existing debt. Continuous lowering of market prices of fertilizers created significant pressure on the liquidity and solvency of the Company and resulted in negative working capital and financial debt of approximately HRK 820.5 million on 31 December 2017, or HRK 772.4 million on 31 March 2018.

Since 2013, the Company has been continuously implementing comprehensive operational and financial restructuring measures under the Restructuring Plan. The restructuring plan, which has been updated several times, is based on the realization of the following measures primarily aimed at the long-term stabilization of the Company:

- Optimization of the cost of procurement, in particular the cost of natural gas,
- Refocusing production activities,
- Optimization of the working structure,
- Disinvesting or repurposing of non-operative and immovable property and
- Measures of refinancing of debt and recapitalization.

In addition to the restructuring measures implemented so far, in June 2017, the Company initiated the process of introducing strategic and financial investors into the ownership structure, which would recapitalize the Company and provide sufficient liquidity to finalize the restructuring process and stabilize the Company operations over a longer period of time.

The Company expects significant debt repayments in 2018, which it will not be able to service unless extensive restructuring of the Company business is carried out.

Within the above, the Company also considered the restructuring model, which includes the increase of the share capital by the shares in the rights, i.e. by converting the claims of Republic of Croatia into the Company share capital, in accordance with the Companies Act. The Company Board believes that by implementing this model of increase in share capital, a number of positive effects would be achieved since the Company would be able to settle a part of the liabilities that the Company business is burdened with and would reduce the Company's expenses. By implementing the above mentioned procedure of increasing the share capital, the Company's debt would be reduced, the capital structure would be strengthened, the balance sheet indicators improved and in the event of the impossibility of servicing outstanding debt, adverse consequences would be significantly mitigated.

Consequently, the Company Board proposes to completely eliminate the pre-emptive right of the existing shareholders to subscribe for new shares because the increase in share capital is carried out as part of the restructuring of the Company business with the aim of reducing the Company indebtedness and expenses and creating conditions for continuous operations and further development of the Company.

In view of the stated business results of the Company, the indebtedness and inadequacy of the Company capital, the Company Board considers the price of HRK 10.00 per share equal to the nominal amount of the share and represents the lowest amount for which the shares can be issued in accordance with Art. 164, paragraph 2 of the Companies Act, appropriate. At the said share price, the Republic of Croatia will, for the entry of its HRK 450 million claims into the Company share capital acquire 45 million newly issued ordinary Company shares.-----

The General Meeting Chairman, Mr. Šepak informed the Meeting that there was no voting on this Agenda Item.-----

There was no request for the said Report to be read out.-----

Thereafter, the Meeting moved on to the next Agenda Item.-----

**Under Item 9 of the Agenda (Decision on the increase of the Company share capital by stake rights and issuance of shares with the exclusion of the Company shareholders' pre-emptive rights**

No special written material was submitted under this Item.

There was no discussion under this Agenda Item .-----

The Company General Meeting Chairman, Mr. Mijo Šepak, put to vote the following proposal of the decision of the Management Board and the Supervisory Board of the Company on the increase of the share capital of the Company stake rights and issuance of shares with the exclusion of the pre-emptive rights of the Company shareholders which reads in full: -----

"Pursuant to Article 304 and Article 305 of the Companies Act (Official Gazette Nos. 111/93, 34/99, 121/99, 118/03, 107/07, 137/09, 125/11, 152/11 , 111/12, 68/13 and 110/15, hereinafter: ZTD), the General Meeting of Petrokemija, d.d., Fertilizer Company with headquarters in Kutina, Aleja Vukovar 4, registered in the Court Register of the Commercial Court in Zagreb, company number: 080004355, OIB (tax ID number): 24503685008 (hereinafter: the Company), at its session held at the Company headquarters on July 9, 2018, passes the following

**Decision on the increase of the Company share capital by stake in rights and issuance of shares with the exclusion of the pre-emptive rights of the Company shareholders**

1. The Company registered capital amounts to HRK 42,903,930.00 (forty two million nine hundred three thousand nine hundred and thirty) and is divided into 4,290,393 (four million two hundred and ninety thousand three hundred and ninety-three) ordinary registered shares of a nominal amount of HRK 10.00 (ten) each. The Company share capital has been paid in full.

2. The Company share capital is increased by the issue of new shares with the payment of stake in rights as described below in this decision.
3. With this decision, the Company share capital is increased from HRK 42,903,930.00 (forty-two million nine hundred three thousand nine hundred and thirty) by the amount of HRK 450,000,000 (four hundred and fifty million) to HRK 492,903,930, 00 (four hundred and ninety-two million nine hundred and thirty thousand nine hundred and thirty), by issuing 45,000,000 (forty-five million) new ordinary registered shares in dematerialized form of HRK 10.00 (ten) nominal amount each.
4. The increase of the Company share capital from Item 3 of this Decision shall be made as follows:
  - (3) by converting claims amounting to HRK 450,000,000.00 (four hundred and fifty million) arising from:
    - (i) Loan Agreement No. 5000563801 of 18 May 2017, amended on 27 December 2017, by Annex No. 1 and on 29 March 2018, by Annex No. 2 to the same contract (Loan Agreement 1), and the relevant Contract on Transfer and Sale of Claims as per Loan Agreement 1, concluded on 28 May 2018 and Annex to Loan Agreement 1, of 28 May 2018.
    - (ii) Loan Agreement No: RG-04/2017 of 19 May 2017, amended on 5 December 2017 by Annex I and on 28 March 2018 by Annex II (Loan Agreement 2) and the related Contract on Transfer and Sale of Claims under Loan Agreement 2, concluded on 28 May 2018, and Loan Agreement 2, of 28 May 2018.
    - (iii) Loan Agreement No: RG-10/2016 of 1 September 2016, amended on 12 January 2017, by Annex I (Loan Agreement 3), and the relevant Contract on Transfer and Sale of Claims as per Loan Agreement 3, concluded on 28 May 2018, and Annex to Loan Agreement 3, of 28 May 2018.
    - (iv) Long-Term Loan Agreement No. 21/2017-HPB / HBOR of 19 May 2017, amended on 28 March 2018, by Annex I and on 22 May 2018 by Annex II (Loan Agreement 4) and the related Contract on Transfer and Sale of a Part of Claims under Loan Agreement 4, concluded on 28 May 2018 and Loan Agreement 4, of May 28, 2018. (Hereinafter: Invested Claims)
  - and
  - (4) by issuing 45,000,000 (forty-five million) new ordinary registered shares, in a dematerialized form, of a HRK 10.00 (ten) nominal amount each (hereinafter: "New Shares").
5. The amount at which the New Shares are issued (Article 307, paragraph 1, Item 2 of the ZTD) shall be set at HRK 10.00 (ten) for one New Share.
6. New Shares entitle the holder to the same rights as all other ordinary shares issued by the Company.
7. The new shares will be subscribed for by a written statement referred to in Article 307, paragraph 1 of the ZTD (hereinafter: Subscription Form). The payment for the New Shares will be made on the basis of an Agreement on Entry of Invested Claims concluded between the Subscriber and the Company.
8. The deadline for the subscription of New Shares and the conclusion of an Agreement on Entry shall be determined by the Company Management Board in the invitation to the investor referred to in point 9 of this Decision on subscription for New Shares and

signing the Agreement on Entry. In order to avoid any doubt, if the subscription and payment for the New Shares are fully effected before the expiration of the deadlines set by the Company Management Board, the Board is authorized to conclude the issuance without waiting for these deadlines.

9. All new shares will be subscribed and paid for in the manner described above REPUBLIC OF CROATIA, OIB: 52634238587, represented by RESTRUCTURING AND SALE CENTER, Zagreb, Ivana Lučića 6, OIB: 38083028711. Therefore, pursuant to the provision of Article 308, paragraph 4 of the ZTD, this decision entirely excludes the pre-emptive right of the Company shareholders to subscribe for New Shares.
10. The new shares will be issued in a dematerialized form, in the form of an electronic record in the CDCC computer system, with the ticker assigned by the CDCC. Each share entitles one to one vote at the Company General Meeting. The shares are registered and shall give the shareholders all the rights established by the Law and the Company Articles of Association from the date of the entry of the share capital increase in the court register. New shares will be listed for trading on the regulated market of the Zagreb Stock Exchange d.d., to the official market, in accordance with relevant regulations. New Company shares will be eligible for trading on the official market after their listing on the regulated market.
11. Increase in Share Capital and Issuance of New Shares shall be considered not successful if the registration of the increase of the Company share capital pursuant to Article 309, paragraph 1 of the ZTD is incorporated in the Court Register of the Commercial Court in Zagreb within 12 (twelve) months from the date of the adoption of this Decision. On that day, the Subscription Form ceases to bind the Subscriber.
12. In accordance with Article 351, paragraph 1, Item 3 of the Capital Market Act, the Company issues New Shares with the use of exception of publishing the Prospectus and the Company will not publish the Prospectus for issuing New Shares.
13. This Decision shall enter into force on the date of its adoption."

After the voting, the Company General Meeting Chairman, Mr. Mijo Šepak announced that the proposed decision was adopted unanimously with the following voting results: -----

|                                |                  |                         |
|--------------------------------|------------------|-------------------------|
| <b>Present at the Meeting</b>  | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of given votes</b>   | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of FOR votes</b>     | <b>3,848,030</b> | <b>votes</b>            |
| <b>Number of AGAINST votes</b> | <b>0</b>         | <b>votes</b>            |
| <b>Withheld</b>                | <b>0</b>         | <b>votes</b>            |

There was no expressed opposition to the adopted decision.

It was noted that according to article 304, paragraph 1, of the ZTD, decision on the Company capital increase by stake rights is adopted by votes representing at least 3/4 (three quarters) of the share capital represented at the General Meeting when adopting the decision. Accordingly, for the adoption of the decision under this Agenda Item, at least

2,886,023 FOR votes are required (the Company Articles of Association do not provide for a different majority), which in this case was met.-----

Then the Meeting went on to the next Agenda Item. -----

**Under Item 10 of the Agenda (Decision 1 on Amendments to the Company Statute)** -----

Under this Agenda Item for today's Company General Meeting, no special written material was submitted. -----

There was no discussion under this Agenda Item .----- --

The Company General Meeting Chairman, Mr. Mijo Šepak, put to vote the following decision proposal of the Management and the Supervisory Board of the Company:

"With the invitation and within the meaning of Article 301 of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 118/03, 107/07, 137/09, 125/11, 152/11, 111 / 12, 68/13 and 110/15, hereinafter: ZTD), the General Meeting of Petrokemija, d.d., Fertilizer Company with its headquarters in Kutina, Aleja Vukovar 4, registered in the Court Register of Commercial Court in Zagreb under company number 080004355, OIB (tax ID number): 24503685008 (the Company"), on 9 July 2018 (ninth of July two thousand eighteen) in Kutina, passes the following

**DECISION 1 ON AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF Petrokemija, d.d.**

**Article 1**

The Articles of Association of Petrokemija, d.d. - full (revised) text of 11 October 2017 (the Articles of Association) paragraphs 1 and 2 of Article 7 are amended so that they read:

"The Company share capital is 492,903,930.00 (four hundred and ninety two million nine hundred three thousand nine hundred and thirty).

The Company share capital is divided into 49,290,393 (forty-nine million two hundred and ninety thousand three hundred and ninety-three) non-materialized ordinary registered shares of HRK 10.00 nominal amount each."

In Article 7 of the Company Articles of Association, after paragraph 2, a new paragraph 3 is added, which reads as follows:

"A portion of the share capital referred to in paragraph 1 of this Article in the amount of HRK 42,903,930.00 (forty-two million nine and three thousand nine hundred and thirty) was paid in cash. A part of the share capital referred to in paragraph 1 of this Article, amounting to HRK 450,000,000 , 00 (four hundred and fifty million) has been fully paid by the shareholder of REPUBLIC OF CROATIA, OIB: 52634238587, represented by the RESTRUCTURING AND SALE CENTER, Zagreb, Ivana Lučića 6, OIB: 38083028711, by converting into capital the claim deriving from:

(i) Loan Agreement No. 5000563801 of 18 May 2017, amended on 27 December 2017, by Annex No. 1 and on 29 March 2018, by Annex No. 2 to the same contract (Loan Agreement 1), and the relevant Contract on Transfer and Sale of Claims as per Loan Agreement 1, concluded on 28 May 2018 and Annex to Loan Agreement 1, of 28 May 2018.



(ii) Loan Agreement No: RG-04/2017 of 19 May 2017, amended on 5 December 2017 by Annex I and on 28 March 2018 by Annex II (Loan Agreement 2) and the related Contract on Transfer and Sale of Claims under Loan Agreement 2, concluded on 28 May 2018, and Loan Agreement 2, of 28 May 2018.

(iii) Loan Agreement No: RG-10/2016 of 1 September 2016, amended on 12 January 2017, by Annex I (Loan Agreement 3), and the relevant Contract on Transfer and Sale of Claims as per Loan Agreement 3, concluded on 28 May 2018, and Annex to Loan Agreement 3, of 28 May 2018.

(iv) Long-Term Loan Agreement No. 21/2017-HPB / HBOR of 19 May 2017, amended on 28 March 2018, by Annex I and on 22 May 2018 by Annex II (Loan Agreement 4) and the related Contract on Transfer and Sale of a Part of Claims under Loan Agreement 4, concluded on 28 May 2018 and Loan Agreement 4, of May 28, 2018.

and

by issuing 45,000,000 (forty-five million) new ordinary registered shares, in a dematerialized form, of HRK 10.00 (ten) nominal amount each and a total nominal amount of 450,000,000.00 (four hundred and fifty million). "

Previous Paragraphs 3 and 4 of Article 7 of the Company Articles of Association become Paragraphs 4 and 5 of the same Article.

Article 2

All other provisions of the Articles of Association remain unchanged.

Article 3

This Decision on the Amendment of the Articles of Association shall enter into force and apply on the date of its entry into the Court Register.

Article 4

The Supervisory Board is authorized to determine the full text of the Articles of Association."

After the voting, the Company General Meeting Chairman, Mr. Mijo Šepak announced that the proposed decision was adopted unanimously with the following voting results: -----

|                                |                  |                         |
|--------------------------------|------------------|-------------------------|
| <b>Present at the Meeting</b>  | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of given votes</b>   | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of FOR votes</b>     | <b>3,848,030</b> | <b>votes</b>            |
| <b>Number of AGAINST votes</b> | <b>0</b>         | <b>votes</b>            |
| <b>Withheld</b>                | <b>0</b>         | <b>votes</b>            |

There was no expressed opposition to the adopted decision.

It was noted that according to article 301, paragraph 2, of the ZTD, decision on amendments to the company articles of association is adopted by votes representing at least 3/4 (three quarters) of the share capital represented at the General Meeting when adopting the decision. Accordingly, for the adoption of the decision under this Agenda Item, at least

2,886,023 FOR votes are required (the Company Articles of Association do not provide for a different majority), which in this case was met.-----

Then the Meeting moved on to the next Agenda Item. -----

**Under Item 11 of the Agenda (Decision 1 on granting approval to acquire shares without obligation to publish a takeover bid)**

Under this Agenda Item for today's Company General Meeting, no special written material was submitted. -----

There was no discussion under this Agenda Item .----- --

The Company General Meeting Chairman, Mr. Mijo Šepak, put to vote the following proposal of Decision 1 of the Management and Supervisory Board of the Company: -----

"In the Company capital increase by stake in rights in issuing shares, each acquirer is entitled to acquire new Company shares with voting rights without the obligation to publish a takeover bid."-----

After the voting, the Company General Meeting Chairman, Mr. Mijo Šepak announced that the proposed decision was adopted unanimously with the following voting results: -----

|                                |                  |                         |
|--------------------------------|------------------|-------------------------|
| <b>Present at the Meeting</b>  | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of given votes</b>   | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of FOR votes</b>     | <b>3,848,030</b> | <b>votes</b>            |
| <b>Number of AGAINST votes</b> | <b>0</b>         | <b>votes</b>            |
| <b>Withheld</b>                | <b>0</b>         | <b>votes</b>            |

There was no expressed opposition to the adopted decision.-----

It was pointed out that according to Article 14, paragraph 1, Item 3 of the Act on the Takeover of Joint Stock Companies (OG 109/2007, 36/2009, 108/2012, 90/2013 and 148/2013), the acquirer is not obliged to publish a takeover bid if they acquire the shares of the target company in the process of share capital increase, by issuing shares and the General Meeting of the target company approves that a specific or an unidentified acquirer may acquire shares with the voting right of the target company without the obligation to publish the takeover bid if the acquirer were to have such obligation as a result of the acquisition of the shares with the voting right. Under paragraph (2) of the same Article, the approval referred to in paragraph (1) (3) of the same Article,

shall be made by a three-quarter majority of votes present at the General Meeting, not counting the votes of the acquirer and their collaborators. In this case, the votes of the Republic of Croatia and the persons with whom it is jointly operating, i.e. 3,425,991 votes, are not counted, but the decision is adopted with the votes of the others present at the General Meeting, i.e. a total of 422,039 votes. Three-quarters majority of these votes are requested for decision-making, which was here met.-----

The Meeting then proceeded to the next Agenda Item.-----

**Under Item 12 of the Agenda Decision on simplified reduction of the Company share capital by merging shares loss coverage and transfer of funds to capital reserves**

Under this Agenda Item for today's Company General Meeting, no special written material was submitted. -----

There was no discussion under this Agenda Item .----- --

The Company General Meeting Chairman, Mr. Mijo Šepak, put to vote the following decision proposal of the Management and Supervisory Board of the Company:

"Pursuant to Article 349 of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 118/03, 107/07, 137/09, 125/11, 152/11, 111/12, 68/13 and 110/15, hereinafter: ZTD), the General Meeting of Petrokemija, d.d. (the Company) passes the

**DECISION**

on simplified reduction of the Company share capital by merging shares for loss coverage and transfer of funds to capital reserves

1. The Company share capital amounts to HRK 492,903,930.00 (four hundred and ninety-two million nine hundred and three thousand nine hundred and thirty) and is divided into 49,290,393 (forty-nine million two hundred and ninety thousand three hundred and ninety-three) ordinary registered shares of HRK 10.00 (ten) nominal value each. The Company share capital has been paid in full.
2. The share capital is reduced only to cover the loss of the Company realized in 2017 for the purpose of remedying the Company and only after all the reserves have been spent to cover the losses. The amount received by the reduction of the share capital will be used to cover the loss realized in 2017 in the total amount of HRK 242,616,914.85 (two hundred and forty-two million six hundred and sixteen thousand nine hundred and fourteen and eighty-five lipa). The remainder after covering the Company loss in the amount of HRK 150,000.005.15 (one hundred and fifty million five and fifteen lipa) is entered into the Company capital reserves. Due to the reduction of the Company share capital, no payments will be made to shareholders.
3. The subscribed capital in the amount of HRK 492,903,930.00 (four hundred and ninety-two million nine hundred and three thousand nine hundred and thirty) is reduced in simplified procedure by the amount of HRK 392,616,920.00 (three hundred and ninety-two million six hundred and sixteen nine hundred and twenty) to HRK 100.287.010,00 (one hundred million two hundred and eighty-seven thousand ten), where the nominal amount of the ordinary share of HRK 10.00 (ten) will be reduced below the nominal amount prescribed by Article 163, paragraph 2 of the ZTD to the amount of HRK 2.034615752 (two point zero three four six one five seven five two). Consequently, in accordance with Article 349 (3), in conjunction with Article 342, paragraph 4, of the ZTD, the shares will merge in such a way that the so obtained 4.914932950 (four point nine one four nine three two nine five zero) ordinary Company shares i be merged into one (1) new ordinary registered share of HRK 10.00 (ten) nominal amount.
4. For shareholders who after the merger will not hold a full number of shares, the number of shares will be rounded down to the first smaller whole number of shares. The number of shares on their non-materialized securities accounts will be reduced to the first smaller whole

number of shares. At the same time, the Company undertakes to pay to each shareholder, the difference in cash through the Central Clearing Depository Company d.d. (CCDC), all in accordance with this Decision and the Instructions of the CCDC. The share price on the release of shares from this point of this decision is HRK 10.00 (ten).

5. After the simplified reduction of the share capital, the Company share capital is HRK 100,287,010.00 (one hundred million two hundred and eighty-seven thousand ten) and is divided into 10,028,701 (ten million twenty-eight thousand seven hundred and one) ordinary share, of HRK 10,00 (ten) nominal amount each.

6. All costs of reducing the share capital and merging of the shares shall be borne by the Company. "

After the voting, the Company General Meeting Chairman, Mr. Mijo Šepak announced that the proposed decision was adopted unanimously with the following voting results: -----

|                                |                  |                         |
|--------------------------------|------------------|-------------------------|
| <b>Present at the Meeting</b>  | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of given votes</b>   | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of FOR votes</b>     | <b>3,848,030</b> | <b>votes</b>            |
| <b>Number of AGAINST votes</b> | <b>0</b>         | <b>votes</b>            |
| <b>Withheld</b>                | <b>0</b>         | <b>votes</b>            |

There was no expressed opposition to the adopted decision.-----

It was noted that according to article 349, paragraph 3, of the ZTD, decision on simplified reduction of the share capital is adopted by votes representing at least 3/4 (three quarters) of the share capital represented at the General Meeting when adopting the decision. Accordingly, for the adoption of the decision under this Agenda Item, at least 2,886,023 FOR votes are required (the Company Articles of Association do not provide for a different majority), which in this case was met.-----

Then the Meeting went on to the next Agenda Item. -----

### **Under Item 13 of the Agenda Decision 2 on amendments to the Company Articles of Association 1**

Under this Agenda Item for today's Company General Meeting, no special written material was submitted. -----

There was no discussion under this Agenda Item .-----

The Company General Meeting Chairman, Mr. Mijo Šepak, put to vote the following decision proposal of the Management and Supervisory Board of the Company:

"With the invitation and within the meaning of Article 301 of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 118/03, 107/07, 137/09, 125/11, 152/11, 111 / 12, 68/13 and 110/15, hereinafter: ZTD), the General Meeting of Petrokemija, d.d., Fertilizer Company with its headquarters in Kutina, Aleja Vukovar 4, registered in the Court Register of Commercial Court in Zagreb under company number 080004355, OIB (tax ID number):

24503685008 (the Company"), on 9 July 2018 (ninth of July two thousand eighteen) in Kutina, issues the following

DECISION 2 ON AMENDMENTS TO THE ARTICLES OF ASSOCIATION 1 OF Petrokemija, d.d.

Article 1

The Articles of Association 1 of Petrokemija, d.d. – full (revised) text of 9 July 2018, are amended, namely Article 7, paragraphs 1 and 2, so that they read:

"The Company share capital is HRK 100,287,010.00 (one hundred million two hundred eighty-seven thousand ten).

The Company share capital is divided into 10,028,701 (ten million twenty-eight thousand seven hundred and one) non-materialized ordinary registered shares, of HRK 10.00 nominal amount each. "

Article 7 of the Company Articles of Association is amended to read as follows:

"A portion of the share capital referred to in paragraph 1 of this Article in the amount of HRK 91,557,710.00 (ninety-one million five hundred and fifty seven thousand seven hundred and ten) has been fully paid by the shareholder REPUBLIC OF CROATIA, OIB: 52634238587, represented by the RESTRUCTURING AND SALE CENTER, Zagreb, Ivana Lučića 6, OIB: 38083028711, by investing claims in the total amount of HRK 450,000,000.00 (four hundred and fifty million), pursuant to the Decision on the increase of the share capital by stake of rights and issuance of shares with the exclusion of the Company shareholders' pre-emptive rights of 9 July 2018, by converting into capital the claims deriving from:

(i) Loan Agreement No. 5000563801 of 18 May 2017, amended on 27 December 2017, by Annex No. 1 and on 29 March 2018, by Annex No. 2 to the same contract (Loan Agreement 1), and the relevant Contract on Transfer and Sale of Claims as per Loan Agreement 1, concluded on 28 May 2018 and Annex to Loan Agreement 1, of 28 May 2018.

(ii) Loan Agreement No: RG-04/2017 of 19 May 2017, amended on 5 December 2017 by Annex I and on 28 March 2018 by Annex II (Loan Agreement 2) and the related Contract on Transfer and Sale of Claims under Loan Agreement 2, concluded on 28 May 2018, and Loan Agreement 2, of 28 May 2018.

(iii) Loan Agreement No: RG-10/2016 of 1 September 2016, amended on 12 January 2017, by Annex I (Loan Agreement 3), and the relevant Contract on Transfer and Sale of Claims as per Loan Agreement 3, concluded on 28 May 2018, and Annex to Loan Agreement 3, of 28 May 2018.

(iv) Long-Term Loan Agreement No. 21/2017-HPB / HBOR of 19 May 2017, amended on 28 March 2018, by Annex I and on 22 May 2018 by Annex II (Loan Agreement 4) and the related Contract on Transfer and Sale of a Part of Claims under Loan Agreement 4, concluded on 28 May 2018 and Loan Agreement 4, of May 28, 2018.

and

by issuing 45,000,000 (forty-five million) new ordinary registered shares, in a dematerialized form, of HRK 10.00 (ten) nominal amount each and a total nominal amount of 450,000,000.00 (four hundred and fifty million). " The above mentioned share of the share capital amounting to 91,557,710.00 (ninety-one million five hundred and fifty seven

thousand seven hundred and ten) remained after the reduction of the Company share capital pursuant to the decision of the General Meeting on simplified reduction of the Company's share capital by merging shares for loss coverage and transfer of funds to the capital reserve of July 9, 2018. That part of the Company registered capital is divided into 9,155,771 (nine million hundred fifty-five thousand seven hundred and seventy-one) ordinary shares of HRK 10.00 (ten) nominal amount each and of total nominal amount of 91,557,710.00 (ninety-one million five hundred fifty-seven thousand seven hundred ten). "

Article 2

All other provisions of the Articles of Association remain unchanged.-----

Article 3

This Decision on the Amendment of the Articles of Association shall enter into force and apply on the date of its entry into the Court Register.-----

Article 4

The Supervisory Board is authorized to determine the full text of the Articles of Association.

After the voting, the Company General Meeting Chairman, Mr. Mijo Šepak announced that the proposed decision was adopted unanimously with the following voting results: -----

|                                |                  |                         |
|--------------------------------|------------------|-------------------------|
| <b>Present at the Meeting</b>  | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of given votes</b>   | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of FOR votes</b>     | <b>3,848,030</b> | <b>votes</b>            |
| <b>Number of AGAINST votes</b> | <b>0</b>         | <b>votes</b>            |
| <b>Withheld</b>                | <b>0</b>         | <b>votes</b>            |

There was no expressed opposition to the adopted decision.-----

It was noted that according to article 301, paragraph 2, of the ZTD, decision on amendments to the company articles of association is adopted by votes representing at least 3/4 (three quarters) of the share capital represented at the General Meeting when adopting the decision. Accordingly, for the adoption of the decision under this Agenda Item, at least 2,886,023 FOR votes are required (the Company Articles of Association do not provide for a different majority), in this case, this requirement was met.-----

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Then the Meeting went on to the next Agenda Item. -----

**Under Item 14 of the Agenda Report 2 of the Management Board on the reasons for excluding the shareholders' pre-emptive right when subscribing for new Company shares**

Under this Agenda Item for today's Company General Meeting, no special written material was submitted. -----

There was no discussion under this Agenda Item .-----

It was pointed out that the notice of 30 May 2018 (thirtieth of May two thousand eighteen), posted on the web page of the Court Register, read as follows:

"Report 2 of the Board on reasons for excluding the shareholders' pre-emptive rights when subscribing for new Company shares

The restructuring and recapitalization process of the Company is based on the following strategic assumptions:

- Modernization of production facilities with the aim of raising the level of energy and technological efficiency, as well as meeting the environmental requirements in accordance with EU regulations,
- Providing sources of financing permanent working capital,
- More active appearance and strategic positioning on the market of the Republic of Croatia and the region,
- Raising the level of efficiency of maintenance, logistical and other service processes in the Company that will achieve a positive financial result, stability and development of the Company.

In order to provide funds to achieve these strategic assumptions, improve the capital structure and financial indicators and successfully complete the entire restructuring process, which should contribute to achieving positive financial results of the Company in the future, faster business stabilization and further development, urgent completion of the Company recapitalization process is necessary by increasing its share capital by investing in cash by strategic and financial investors who would participate in recapitalization with significant funds.

In view of the required amount of recapitalization and the urgency of collecting fresh capital for stabilizing the Company operations, the Company Management Board proposes adopting a decision on the procedure of increasing the share capital by issuing new shares for which only those investors would subscribe who can invest a minimum of 10 (ten) million kuna. This also allows the issuance of ordinary shares with the use of the right of exception from the obligation to publish a prospectus regarding the public offer in accordance with Article 351, paragraph 1, Item 3 of the current Capital Market Act, which would shorten the time needed to collect the necessary funds. Accordingly, the Board proposes adopting a decision on the procedure for increasing the share capital by issuing new shares with the full exclusion of the shareholders' pre-emptive right to subscribe for the new shares. If all shareholders were given the right to subscribe for new shares, such a procedure would be time-consuming and affect the inflow of the new capital, taking into account the statutory deadlines that must be respected in the right of pre-emption and the prospectus approval deadlines for a public offering. Therefore, the Board believes that the proposed use of exclusion of pre-emptive rights to shareholders in subscribing and payment would prevent a more demanding and long-lasting process of public offering, which could have a negative impact on the Company's business and financial position.

Successful and timely completion of the increase in share capital would create prerequisites and raise funds for the necessary investments and improve the liquidity of the Company. Success in the implementation of the increase in share capital would significantly improve key balance indices and create positive effects for continued operations of the Company and would enable the Company to open a new development cycle in which all its present

potential could be used - from a favorable location, well-maintained production and logistics systems to expert labor force. Otherwise, the prolongation of the recapitalization process could have a negative impact on the financial position of the Company business and its competitiveness on the domestic and foreign markets and consequently also on the implementation of the Company business plans and on the financial performance of the recapitalization if it were to be postponed.

Taking into account all of the foregoing and considering the business results, indebtedness and inadequacy of the Company's capital, the new shares will be offered for sale at a price equal to the nominal amount of the share, i.e. HRK 10.00. An increase in the Company's registered capital will be effected by cash payment by issuing at least 40,000,000 (forty million) up to 45,000,000 (forty-five million) new ordinary shares for a nominal value of 10.00 kuna.

There was no request for the Report to be read out.-----

The General Meeting Chairman, Mr. Šepak informed the Meeting that there was no voting on this Agenda Item.-----

Thereafter, the Meeting proceeded to the next Agenda Item.-----

**Under Item 15 of the Agenda (Decision on increase of the Company share capital in cash and issuance of new shares with the exclusion of shareholders' pre-emptive rights and changes to the Company Articles of Association**

Under this Agenda Item for today's Company General Meeting, no special written material was submitted. -----

There was no discussion under this Agenda Item .----- --

The Company General Meeting Chairman, Mr. Mijo Šepak, put to vote the following decision proposal of the Management and Supervisory Board of the Company:

"Pursuant to Article 304 and Article 308 of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 118/03, 107/07, 137/09, 125/11, 152/11, 111/12, 68/13 and 110/15, hereinafter: ZTD), the General Meeting of Petrokemija, d.d. (the Company) passes the

**DECISION**

on increase of the Company share capital by investing in cash with the exclusion of shareholders' pre-emptive rights and on changes to the Company Articles of Association

1. The Company share capital is HRK 100,287,010.00 (one hundred million two hundred and eighty-seven thousand ten) and is divided into 10,028,701 (ten million twenty-eight thousand seven hundred one) ordinary shares of HRK 10.00 (ten) nominal value each. The Company share capital has been paid in full.

2. The Company share capital is increased by the issue of new shares with cash deposits to raise funds for investments that ensure and improve the production, restructuring and financing of the current business.

3. According to this decision, the Company share capital is increased from the amount of HRK 100,287,010.00 (one hundred million two hundred and eighty-seven thousand ten) by a



maximum of HRK 450,000,000.00 (four hundred and fifty million) to the amount of HRK 550,287,010 .00 (five hundred and fifty million two hundred and eighty-seven thousand ten).

4. The increase of the Company share capital from point 3 of this Decision shall be effected by cash payment by issuing a minimum of 40,000,000 (forty million) up to a maximum of 45,000,000 (forty-five million) new ordinary shares of HRK 10.00 (ten) nominal value each (hereinafter: New Shares).

5. The amount for which the New Shares are issued (Article 307, paragraph 1, Item 2 of the ZTD) shall be set at HRK 10.00 (ten) for one New Share (New Shares Issue Price).

6. The shares will be subscribed in a written statement (Subscription Form). The payment of the shares will be made on the Company account for special purposes, which will be opened in the Company business bank and will be listed in the public offer and in the Subscription Form.

7. Subscription and Payment of New Shares will be conducted through a one-round public offering procedure. The right to subscribe for New Shares will be provided for all interested investors, provided the minimum payment for the shares subscribed is HRK 10,000,000.00 (ten million), and the maximum that of 45,000,000 (forty-five million) New Shares or up to HRK 450,000,000.00 (four hundred and fifty million) of the Company registered capital. The period for subscription and payment for the New Shares will be determined by the Company Management Board in a public call to subscribe for New Shares. In the public call, investors will be given a detailed indication of the place and time provided for the subscription of new shares by means of Subscription Forms. An individual investor may subscribe and pay for a minimum of 1,000,000 (one million) New Shares (hereinafter: Minimum Subscription). In order to avoid any doubt, if the subscription and payment of the New Shares are fully effected before the expiration of the deadlines set by the Company Management Board in the public call, the Company Board is authorized to conclude the issue without waiting for the expiry of the deadlines.

8. Subscription Forms subscribing for less than the Minimum Subscription will not be considered. Subscription Forms subscribing for more than the number of the offered New Shares will be considered only to the extent of the number of New Shares offered. The Company Management Board, with the consent of the Supervisory Board, shall issue the rules for the allocation of shares and shall publish them in the public invitation to subscribe for New Shares, in case the total number of subscribed and paid for shares exceeds the number of the New Shares offered.

9. The subscription and payment for the shares will be made in the manner specified in the public call for investors to subscribe for New Shares. The Company Board is authorized to decide on its own when it will announce the invitation to subscribe for New Shares. The call to subscribe for New Shares will be posted on the web pages of the Zagreb Stock Exchange and on the Company web site.

10. In case the Company shares for the shareholder's account are kept by the custodian bank, the custodian bank must indicate the name and surname (company), OIB and the address of residence (headquarters) of the ultimate investor. Otherwise, such persons will not be entitled to participate in the subscription of New Shares.

11. The Company share capital increase under this Decision shall be effected with the full exclusion of the Company shareholders' pre-emptive right to subscribe for new Company Shares, in accordance with the provisions of Article 308, paragraph 4 of the ZTD.

12. Pursuant to Article 351, paragraph 1, Item 3 of the Capital Market Act, the Company issues the shares with the exception of the publication of the prospectus for the purposes of issuing the New Company Shares.

13. The final amount of capital increase will depend on the success of the issue, i.e. on the number of shares subscribed and paid for. The issue of shares shall be deemed to be successfully executed if at least 40,000,000 (forty million) New Company Shares are subscribed and paid for by investors within the stipulated deadlines for subscription and payment. The Company Management Board, with the consent of the Supervisory Board, will determine the success of the share issue, the exact amount of increase in share capital and the correct number of new ordinary shares. The Company Supervisory Board is hereby authorized to, after the increase of the share capital, pursuant to this Decision, harmonize the provisions of the Company Articles of Association as regards the amount of the share capital and the number of shares in the full text of the Company Articles of Association 2 with the changes that have been made by increasing the share capital and issuance of New Shares, as given in more detail in point 18 of this Decision. If the subscription of New Shares is not successful, the Company will repay the paid funds to the investors within 7 (seven) business days after the expiry of the latest deadline for the payment of the funds, to the account number that the investors have indicated in the Subscription Form. In this case, the Company shall not be liable to pay for the funds transfer or any other costs incurred by the investor on for the transaction, nor shall the Company pay interest to the investors for the period from the payment of the funds to the Company account, referred to in point 6 of this Decision, to the time the funds are returned to the investors

14. New shares shall be entitled to the same rights and rank as any existing Company shares. They will be issued in a dematerialized form, in the form of an electronic record in the CDCC computer system, with the ticker assigned by the CDCC. Each share entitles one to one vote at the Company General Meeting. The shares are registered and shall give the shareholders all the rights established by the Law and the Company Articles of Association from the date of the entry of the share capital increase in the court register. New shares will be listed for trading on the regulated market of the Zagreb Stock Exchange d.d., to the official market, in accordance with relevant regulations. New Company shares will be eligible for trading on the official market after their listing on the regulated market.

15. In case of overpayment by individual investors, the Company shall return the overpayments of funds to those investors to the number of account indicated in the Subscription Form within 7 (seven) business days after the expiration of the last period for payment of New Shares. The Company shall not be liable for any payment or other costs incurred by the investor on the basis of execution of the transaction nor will it pay to the investors interest for the period from the payment of the funds to the Company account referred to in Item 6 of this Decision until the time of return of the said funds to the Investors.

16. If the increase in share capital is not entered in the court register within 12 (twelve) months of the date of the adoption of this decision, the Subscription Form ceases to oblige the investors and the payment made shall be returned to the investors without delay. In that case, it will be considered that the increase in share capital and the issuance of shares has not been carried out successfully.

17. For all that is not regulated by this Decision, the applicable laws and the Company Articles of Association shall apply.

18. The Company Articles of Association 2 amended at today's Company General Meeting in Article 7 paragraph 1 and paragraph 2 shall be amended in such a way that after the issue of the New Company Shares and conducting the Company share capital increase pursuant to this Decision and the result of the entry of New Company Shares, the amount of the Company registered capital in Article 7, paragraph 1 and the number of shares in paragraph 2 of the same Article of the Company Articles of Association is changed. In this respect, the Company Supervisory Board is authorized and obliged, given the amount of increase of the Company registered capital and the number of new Company shares in accordance with the results of the Company New Shares subscribed and paid for to: a) harmonize the provisions of Article 7 paragraph 1 of the Company Articles of Association 2 in the related part on the amount of the Company share capital and in paragraph 2 of the same Article of the Articles of Association which refers to the number of Company shares to which the Company share capital is divided, in such a way that the amount of the Company share capital in paragraph 1 of Article 7 of the Articles of Association 2 of the Company is replaced with the number corresponding to the increased amount of the Company share capital, and in paragraph 2 of Article 7 of the Articles of Association 2 the number of Company shares is replaced by the number of shares corresponding to the sum of the previous number of shares and Company shares issued to increase the share capital determined by this Decision, and b) establish the revised text of the Articles of Association 3. The Amendments to the Articles of Association 3 enter into force with the date of entry in the Court Register.

19. This Decision shall enter into force on the date of its adoption. The Management Board of the Company is authorized to file an application for entry of the decision in the Court Register of the competent Commercial Court."

After the voting, the Company General Meeting Chairman, Mr. Mijo Šepak announced that the proposed decision was adopted unanimously with the following voting results: -----

|                                |                  |                         |
|--------------------------------|------------------|-------------------------|
| <b>Present at the Meeting</b>  | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of given votes</b>   | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of FOR votes</b>     | <b>3,848,030</b> | <b>votes</b>            |
| <b>Number of AGAINST votes</b> | <b>0</b>         | <b>votes</b>            |
| <b>Withheld</b>                | <b>0</b>         | <b>votes</b>            |

There was no expressed opposition to the adopted decision.-----

It was noted that according to article 304, paragraph 1, of the ZTD, decision on share capital increase is adopted by votes representing at least 3/4 (three quarters) of the share capital represented at the General Meeting when adopting the decision. Accordingly, for the adoption of the decision under this Agenda Item, at least 2,886,023 FOR votes are required (the Company Articles of Association do not provide for a different majority), in this case, this requirement was met.-----

Furthermore, it was pointed out that according to Article 301, paragraph 2 of the ZDT, decision on amendments to the company articles of association is adopted by votes representing at least 3/4 (three quarters) of the share capital represented at the General Meeting when adopting the decision. Accordingly, for the adoption of the decision under this Agenda Item, this requirement was met.

Thereafter, the Meeting went on to the next Agenda Item. -----

**Under Item 16 of the Agenda (Decision on granting approval to acquire shares without obligation to publish a takeover bid)**

Under this Agenda Item for today's Company General Meeting, no special written material was submitted. -----

There was no discussion under this Agenda Item .----- --

The Company General Meeting Chairman, Mr. Mijo Šepak, put to vote the following proposal of Decision 2 of the Management and Supervisory Board of the Company on granting approval to acquire shares without obligation to publish a takeover bid as follows:

Decision on granting approval to acquire shares without obligation to publish a takeover bid pursuant to the provisions of Article 14, paragraph 1, Item 3 of the Act on the Takeover of Joint Stock Companies

"In the capital increase by stake in rights by issuing shares, each acquirer is entitled to acquire new Company shares with voting rights, without the obligation to publish a takeover bid."

After the voting, the Company General Meeting Chairman, Mr. Mijo Šepak announced that the proposed decision was adopted unanimously with the following voting results: -----

|                                |                  |                         |
|--------------------------------|------------------|-------------------------|
| <b>Present at the Meeting</b>  | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of given votes</b>   | <b>3,848,030</b> | <b>votes</b>            |
| <b>representing</b>            | <b>89,71%</b>    | <b>of share capital</b> |
| <b>Number of FOR votes</b>     | <b>3,848,030</b> | <b>votes</b>            |
| <b>Number of AGAINST votes</b> | <b>0</b>         | <b>votes</b>            |
| <b>Withheld</b>                | <b>0</b>         | <b>votes</b>            |

There was no expressed opposition to the adopted decision.-----

After the elaboration of the Agenda, the Company General Meeting Chairman, Mr. Mijo Šepak concluded the Company General Meeting at 13:25hours.

Attached to the Minutes are:

- List of Participants
- Copy of convocation of the General Meeting with the agenda, posted on the web site of the Court Register on 30.05.2018 (thirtieth May two thousand eighteen)
- Invitation to today's General Meeting with the agenda

1. Profit and Loss Account for the period from 01.01.2017. (first January two thousand seventeen) to 31.12.2017. (thirty-first December two thousand seventeen) of 21 April 2018 (twenty-first April two thousand eighteen), (3 pages) -

2. Company Balance Sheet for the period 01.01.2017 (first January two thousand seventeen) to 31.12.2017. (thirty- first December two thousand seventeen) of 21 April 2018 (twenty-first April two thousand eighteen), (4 pages)

3. Cash Flow Statement - Direct method for the period 01.01.2017 (first January two thousand seventeen) to 31.12.2017. (thirty- first December two thousand seventeen) of 21 April 2018 (twenty-first April two thousand eighteen) (page 1)
4. Report on changes in equity of the company from 01.01.2017. (first January two thousand seventeen) to 31.12.2017. (thirty- first December two thousand seventeen) of 21 April 2018 (twenty-first April two thousand eighteen), (page 4)
5. Consolidated Balance Sheet of the Company from 01.01.2017. (first January two thousand seventeen) to 31.12.2017. (thirty- first December two thousand seventeen) of 25 April 2018 (twenty-fifth April two thousand eighteen), (4 pages)
6. Consolidated Profit and Loss Account for the period 01.01.2017 to (first January two thousand seventeen) to 31.12.2017 (thirty- first December two thousand seventeen) of 25 April 2018 (twenty-fifth April two thousand eighteen), (3 pages)
7. Consolidated cash flow statement - Direct method for the period 01.01.2017 to (first January two thousand seventeen) to 31.12.2017 (thirty- first December two thousand seventeen) of 25 April 2018 (twenty-fifth April two thousand eighteen), (1 page)
8. Consolidated Statement of Changes in Equity for the period from 01.01.2017 to 31.12.2017 (first January two thousand seventeen to thirty- first December two thousand seventeen) of 25 April 2018 (twenty-fifth April two thousand eighteen), (4 pages)
9. Decision of the Company Supervisory Board No. 3/2018 dated 30 April 2018 (thirtieth of April two thousand eighteen) on approval of the financial statements for 2017 (two thousand seventeen) (1 page)
10. Decision of the Company Supervisory Board No. 4/2018 dated 30 April 2018 (thirtieth of April two thousand eighteen) on the approval of the consolidated financial statements for the year 2017 (two thousand seventeen) (1 page)
11. Proposals of decisions of the Company Management and Supervisory Board No. 6/2018 of 29.5.2018 (twenty-ninth of May two thousand eighteen) (12 pages)
12. Proposal of Decision of the Supervisory Board No. 7/2018 dated 29 May 2018 (twentieth of May two thousand eighteen) on appointment of auditors of Petrokemija, d.d. for 2018 (two thousand eighteen) (1 page)
14. Company Management Board Report as on 31 December 2017 (thirty- first December two thousand seventeen) of 11.05.2018 (eleventh of May, two thousand eighteen) (6 pages)
15. Decision of the Management Board No. OD-89/2018 of 30 April 2018 (thirtieth April two thousand eighteen) on the preparation of the revised Annual Financial Statements for 2017 (two thousand seventeen) (1 page)
16. Decision of the Management Board No. OD-90/2018 of 30 April 2018 (thirtieth April two thousand eighteen) on the preparation of the revised Consolidated Financial Statements for 2017 (two thousand seventeen) (1 page)
17. Annual report of Petrokemija, d.d. for the year ended 31 December 2017 (two thousand seventeen), consisting of the following parts: -----  
Company Management Board Report for 2017 -----  
- Statement on Application of Corporate Governance Code -----

- Statement of Management Responsibility -----
- Independent Auditors' Report -----
- Non-consolidated Report on comprehensive income -----
- Non-consolidated Report of Financial Position -----
- Non-consolidated Report on Changes in Equity -----
- Non-consolidated Cash Flow Statement -----
- Notes (form an integral part of the financial statements). -----

18. Consolidated Annual Report for Petrokemija, d.d. and subsidiaries for the year ended on 31 December 2017 (thirty-first December two thousand seventeen), consisting of the following parts: -----

Company Management Report for Petrokemija Group for 2017 -----

- Statement on Application of Corporate Governance Code -----
- Statement on Management Responsibility-----
- Independent Auditors' Report -----
- Consolidated Report on Comprehensive Income -----
- Consolidated Report on Financial Position -----
- Consolidated Report on Changes in Equity -----
- Consolidated Cash Flow Statement -----
- Notes (form an integral part of the financial statements).

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- Report of the Supervisory Board to the General Meeting of Petrokemija, d.d. for 2017 (two thousand seventeen) of 29 May 2018 (twenty-ninth May two thousand eighteen) -----
  - voting results (computer printout) .-----

- The engrossment of these Minutes is issued in three copies for the Company (at the Company's request), and for the Commercial Court in Zagreb. In line with Articles 25 and 38 of the Regulation on Temporary Notary Tariff, a notary public reward of HRK 2,480.00 + VAT 25% was charged. Notary public fee in line with tar. No. 3 pt. 1 and tar. No. 1 pt. 4 of the Notary Publics Act is HRK 3,000.00 (HRK 1,000.00 for request + HRK 2,000.00 for the preparation of the Minutes).-----

Notary Public  
Mato Medić

I, NOTARY PUBLIC MATO MEDIĆ, KUTINA,  
TRG KRALJA TOMISLAVA 7

Hereby certify that I compared this engrossment to the original in my files and found that it is literally matched with the original.

This SECOND engrossment is plain - verified - complete - in the excerpt,

accompanied by a \_\_-\_\_ copy of the transcript of the notarial deed.

This engrossment was made for PETROKEMIJA, d.d., Kutina, Aleja Vukovar 4 for -.

This engrossment entirely replaces the original in legal transactions.

Public notary fee per tar.no. \_\_-\_\_ NPA in the amount of \_\_-\_\_ kn charged and

cancelled on the copy that remains for the archive. Free of n. p. charge under Article \_\_-\_\_ of NPA.

A notary public fee was charged in the amount of – HRK

Number: OU-311 / 2018-2

In Kutina, 9 July 2018

Notary Public

(stamp of notary public Mato Medić, Kutina, Republic of Croatia)