

Petrokemija Plc., Fertilizer Company

Aleja Vukovar 4, 44320 Kutina, Croatia

Ordinary stock PTKM-R-A ISIN HRPTKMRA0005

Introduced on the official market of the Zagreb Stock Exchange

Notice pursuant to the provisions of the Capital Market Act

Decisions by the Company's General Assembly

On October 31, 2018, Petrokemija Plc. held a session of the General Assembly at the Company headquarters, with 3.724.319 votes present, i.e. 86,83 percent of the total 4,290,393 votes.

The General Assembly reached the following decisions:

Item 3 Decision on the repeal of Supervisory Board members

Item 5 Decision on amendments and modifications to the Decision on increasing the Company's share capital with exclusion of pre-emptive rights of shareholders and changes to the Company's Statute as of July 9, 2018

in accordance with decision drafts published with the Invitation to said General Assembly published on September 4, 2018 on Zagreb Stock Exchange, HINA and Petrokemija Plc. respective websites, in the Official registry of prescribed information (Hanfa) and Court registry.

To the shareholders counterproposal, in accordance to Article 282, paragraph 1 of the Companies Act (Official gazette issues 152/11, 111/12, 68/13 and 110/15), pursuant to motion by the Supervisory Board published in the invitation to General Assembly of the company PETROKEMIJA Plc. with headquarters in Kutina, at the address Aleja Vukovar 4, personal identification number: 24503685008 (hereinafter: Company) to take place on October 15, 2018, Company shareholder THE REPUBLIC OF CROATIA, personal identification number: 52634238587 represented by RESTRUCTURING AND SALE CENTER, with headquarters in Zagreb. at the address Ivana Lučića 6, personal identification number: 38083028711 gave a counterproposal to the Company's General Assembly pursuant to Item 2 of the Agenda on amendments and modifications to the Statute and Item 4 of the Agenda on the appointment of Supervisory Board members, proposing to the Company's General Assembly to reach the decisions under items 2 and 4 as follows:

Ad 2 Decision on amendments and modifications to the Statute

In accordance to article 301 of the Companies Act (Official Gazette issues 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"). Petrokemija Plc. General Assembly reaches the

DECISION

on amendments and modifications to the Statute

Article 1

In Statute 3 of Petrokemija Plc. dated July 9, 2018 (the ninth of July two thousand and eighteen) the full /consolidated/ text harmonized by the Supervisory Board on October 30, 2018 (the thirtieth of October two thousand and eighteen) in article 7 of the Company Statute paragraphs 4 and 5 are deleted.

Article 2

Paragraph 3 of article 8 of the Company Statute behind the word “Management” adds the words “with consent given by the Supervisory Board”.

Article 3

Article 11 of the Company Statute is altered, now stating:

“The Management Board consists of 4 (four) members of Management Board – directors, of whom one is appointed President of Management Board.”

Article 4

Article 12 of the Company Statute is altered, now stating:

“The President and members of the Management Board are appointed and repealed by the Supervisory Board.

The mandate of the members of the Management Board is decided by the Supervisory Board, with mandate of the members of the Management Board lasting 5 (five) years at the most. After their mandate expires, members of the Management Board may be reappointed without limitation as regards the number of mandates.

Article 5

Paragraph 2 of Article 13 of the Company Statute:

- (i) in the first indent in item 3 the words “determined for the period of one (1) year” are replaced by words “determined for the period longer than one (1) year”;
- (ii) a new indent is added between the last and penultimate, which will be the penultimate indent in the amended and modified Statute of paragraph 2 Article 13 of the Statute, stating “making a business plan”
- (iii) at the end of the final sentence full stop is deleted and the following clause added “with decision on giving consent is reached by the Supervisory Board by majority vote of all members of the Supervisory Board, as stipulated by the provisions of Article 23 of the Statute”.

Paragraph 3 of article 13 of the Company Statute is added, stating:

“The Company Management is obliged to ensure previous consent of the Supervisory Board for making business decisions and regulations, making business deals, giving statement and taking any actions concerning:

- changes in the Company’s main business activity,
- changes of the company and/or headquarters,

with decision on giving consent is reached by the Supervisory Board by majority vote of six (6) out of total seven (7) members of the Supervisory Board, as stipulated by the provisions of Article 23 of the Statute”.

Article 6

In paragraph 1 of article 15 of the Company Statute the last sentence is modified, now stating:

“In cases of divided vote, the vote of the president of the management board is not decisive.”

Article 7

Paragraph 1 of article 16 of the Company Statute is altered, now stating:

“The Company is represented by the president of the management board and two members.”

Paragraph 2 of article 16 of the Company Statute is altered, now stating:

“A member of the management board represents the Company together with the president of the management board or with two members of the management board.”

Article 8

Article 17 of the Company Statute is altered, now stating:

“The Supervisory Board has 7 (seven) members.

The mandate of the members of the Supervisory Board lasts up to 4 (four) years. After their mandate expires, members of the Supervisory Board may be reappointed without limitation as regards the number of mandates.

If a member of the Supervisory Board had their mandate expired prior to the expiration of their period of appointment, the member of the Supervisory Boards who replaces such a member has their mandate until the expiration of the original member whose mandate has ceased.”

Article 9

Article 19 of the Company Statute is deleted, and the previous Article 20 becomes Article 19, and every following previous article of the Company Statute takes on a number reduced by one, so that the last article of the Company Statute is instead of the previous 39, following this amendment, article 38 of the Company Statute.

Article 10

The previous Article 20 of the Company Statute, having become Article 19 of the Company Statute, is altered pursuant to alteration stipulated in article 9 of this Decision, now stating:

“The general Assembly of the Company appoints 6 (six) members of the Supervisory Board. The Workers’ Council of the Company appoints 1 (one) member of the Supervisory Board and this authorisation belongs to them as long as this is a legal requirement and preconditions for appointment prescribed by a specific law are met.

The appointment of the members of the Supervisory Board is conducted so that at a session of the General Assembly the proposed list for members of the Supervisory Board is voted on.

The General Assembly may repeal a member of the Supervisory Board before their term expires.

The decision on the repeal of a member of the Supervisory Board is considered reached if it is voted on by shareholders of the Company, in total making $\frac{3}{4}$ (three quarters) of the share capital represented at the General Assembly session.”

Article 11

In the previous Article 21 of the Company Statute, having become Article 20 of the Company Statute, pursuant to alteration stipulated in article 9 of this Decision, in paragraph 2, item 5 is altered, now stating: “to give consent to the management board decisions when prescribed by law, statute or special decision of the Supervisory Board”.

Article 12

The previous Article 24 of the Company Statute, having become Article 23 of the Company Statute, pursuant to alteration stipulated in article 9 of this Decision, is altered, now stating:

“Supervisory Board session can take place if the majority of the total number of members is present, but no less than 4 (four) members.

Decisions of the Supervisory Board are reached by common majority vote of all members of the Supervisory Board, unless otherwise determined by law or this Statute.

Every member has one vote.

Supervisory Board may reach decisions outside session, via voting in written form (letter, telephone, telefax or other adequate technical means) insofar as no member of the Supervisory Board objects to that.

Voting results must be submitted to members in written form and entered in the minutes of the following session.”

Article 13

In the previous Article 27 of the Company Statute, having become Article 26 of the Company Statute, pursuant to alteration stipulated in article 9 of this Decision, paragraph 1 is altered, now stating:

“General Assembly takes place at least once a year (ordinary session) and always when the interest of the Company require so (extraordinary session). The General Assembly sessions take place in the Company headquarters or at some other location if legal requirements are met.”

Article 14

In the previous Article 29 of the Company Statute, having become Article 28 of the Company Statute, pursuant to alteration stipulated in article 9 of this Decision, paragraphs 3 and 4 are deleted.

Article 15

In the previous Article 31 of the Company Statute, having become Article 30 of the Company Statute, pursuant to alteration stipulated in article 9 of this Decision, in paragraph 2 the clause “deadline is set” is replaced with the clause “deadline must be set”, paragraph 3 is deleted and in the previous paragraph 4 of the same article of the Statute, having become paragraph 3 of the same article, number and words “30% (thirty percent)” are replaced with number and words “49% (forty-nine percent)”.

Article 16

The previous Article 32 of the Company Statute, having become Article 31 of the Company Statute, pursuant to alteration stipulated in article 9 of this Decision, is altered, now stating:

“The General Assembly decisions are made by majority vote (ordinary majority vote), unless those decisions which pursuant to a law or Statute must be made by a higher majority of vote (qualified majority). The decisions of the General Assembly requiring amendments to the Statute are considered made insofar as they are voted for by stockholders comprising at least $\frac{3}{4}$ (three quarters) of the Company’s share capital represented at the General Assembly.”

Article 17

This Decision enters into full force and effect on the day that it is made and is valid from the date of entry into the court registry.

Ad 4 Decision on the appointment of the members of Supervisory Board

Pursuant to Article 275, paragraph 1, item 1 as regards Article 256, paragraph 1 and 280, paragraph 3 of the Companies Act 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”). Petrokemija Plc. General Assembly reaches the

DECISION

on the appointment of the members of Supervisory Board

1. *The following have been appointed as members of the Company's Supervisory Board:*
 - Sandor Fasimon, personal identification number: 71849766575, Décsi József Street 33, 1164 Budapest, INA Plc. president of Board
 - Sabina Škrtić, personal identification number: 49882095693, Zagreb, Hegedušićeva Street 2, member of management board of Energia Naturalis Ltd. Zagreb

- Gabor Horvath, personal identification number: 70802396391, Dubrovačka Street 32, Ivanić grad, INA Plc. Chief Financial Officer,
 - *Mijo Šepak, personal identification number: 38512309032, Husain, Frana Krste Frankopana 48, CEO Moslavina Ltd. Kutina*
 2. *The following have been appointed as members of the Company's Supervisory Board:*
 - Pavao Vujnovac, personal identification number: 18148522569, Zagreb, IX. Bukovački Ogranak 19/A, president of board of Prvo plinarsko društvo Ltd. Vukovar
 - Tomislav Pokaz, OIB: 60114855787, Martićeva 46, Zagreb, Advisor to the Prime Minister of the Republic of Croatia
 3. *Mandate of the newly appointed members of the Company's Supervisory Board as of items 1 and 2 of this Decision lasts 4 (four) years.*
 4. *Mandate of the newly appointed members of the Company's Supervisory Board as of item 1 of this Decision starts on the day of reaching this Decision.*
 5. *Mandate of the newly appointed members of the Company's Supervisory Board as of item 2 of this Decision starts on the day of entry into the court registry of the Decision on amendments and modifications to the Company Statute made on today's General Assembly session under item 2 of the Agenda.*
 6. *This Decision enters into full force and effect on this day of it being reached.*
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Grounds for counteraction:

The counteraction presented above from item 2 of the Agenda is different from the published motion of the decision by the Managements and Supervisory Boards only in articles 1 and 5 of that decision, namely: (a) article 1 in the note on the Company's Statute being altered and provisions of article 7 of the Company Statute being deleted. As regards the harmonization by the Supervisory Board Company Statute 3 and full and consolidated text of Company Statute 3 as of October 30, 2018, it was indispensable to harmonize the proposed alterations with the latest version of the Company Statute, namely the deletion of provisions as proposed in the invitation to General Assembly; and (b) Article 5, where the counteraction altered in article 13, paragraph 2, indent 1, item 3 in such a manner that the word "longer" is added so as to clarify that it is a period longer than one (1) year and added in the same provision, paragraph 2 of article 13 between the penultimate and last indent a new indent stating: "making a business plan" so as for the Supervisory Boards to consider and agree to the business plan.

The counteraction above for the Decision from item 4 of the Agenda is different from the published proposal of the decision of the Supervisory Board in items 1 and 2 of the decision, namely, persons appointed to the position of Supervisory Board members, as regards the implementation of the Decision of the Company's General Assembly dated July 9, 2018 on the increase of share capital by monetary deposits and issuance of new shares in the procedure of the Company's restructuring and consequential change in the ownership structure.

All other provisions of counter motions for the decisions presented above are identical to the published proposals of those decisions in the invitation to General Assembly.

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