

## INVITATION TO THE GENERAL SHAREHOLDERS' MEETING OF VARTEKS d.d. Varaždin

Pursuant to article 277 of the Companies Act, the company's Management Board decided at a meeting held on July 25, 2011 to convene the General Shareholders' Meeting of Varteks d.d. Varaždin and hereby invites all of the company's shareholders to the

### GENERAL SHAREHOLDERS' MEETING OF VARTEKS d.d. to be held on

**September 9, 2011 (Friday) starting at noon in Varaždin (Hotel «Turist»)  
Aleja kralja Zvonimira 1**

The following

#### A G E N D A

is announced and proposed for the regular General Shareholders' Meeting.

1. Opening of the General Shareholders' Meeting, establishing the present and represented shareholders
2. Annual reports for 2010
  - a) Management Board report on the situation in the company
  - b) Auditor report
  - c) Report by the Supervisory Board on carried-out management supervisions
  - d) Annual financial statement and consolidated financial statement for 2010
3. Approval of the acts of Management Board members for 2010
4. Approval of the acts of Supervisory Board members for 2010
5. Decision on the election of a Supervisory Board member
6. Decision on simplified share capital reduction
7. Decision on amendments to the Articles of Associations
8. Election of an auditor for 2011

#### DECISION PROPOSALS

**Ad 2** The company's Management Board and Supervisory Board propose that the General Shareholders' Meeting passes the following decisions:

- a) The Management Board report on the situation in the company in 2011 is adopted.
- b) The auditor report for 2010 is adopted.
- c) The Supervisory Board report on carried-out management supervisions in 2010 is adopted.
- d) The annual financial statement and the consolidated financial statement for 2010 is adopted.

**Ad 3** The acts of Management Board members in 2010 are approved.

**Ad 4** The acts of Supervisory Board members in 2010 are approved.

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VARTEKS d.d. / Zagrebačka 94 / HR-42000 VARAŽDIN / tel. +385 42 377 105 / fax.+385 42 377 284 / P.P. 32 / info@varteks.com / www.varteks.com

/ Temeljni kapital 384.161.400 kn, uplaćen u cijelosti i podjeljen na 1.920.807 redovnih dionica, svaka nominalne vrijednosti 200 kn.

Društvo je upisano u registar Trgovačkog suda u Varaždinu, poslovni broj iz upisnika Tt: 95/463-2 (MBS) 070004039, M.B. 3747034, OIB: 00872098033.

Uprava: predsjednik Zoran Koščec, članovi Miljenko Vidaček, Nenad Davidović. Predsjednik Nadzornog odbora: Milan Horvat.

**Ad 5** A decision is passed on the election of Marijana Mitrović from Varaždin, Široke Ledine 29, OIB 37892976567, as member of the Supervisory Board. The mandate of the Supervisory Board member is four years and shall begin the day the decision is passed, regardless of registration in the court registry.

**Ad 6 A decision is made on a simplified share capital reduction as follows:**

**I** It is established that the company Varteks d.d. is registered at the court registry of the Trade Court in Varaždin under the number 070004039, OIB: 00872098033. It is established that the company's share capital amounts to HRK 384,161,400.00 (three hundred eighty-four million one hundred sixty-one thousand four hundred kuna) and that it is divided into a total of 1,920,807 (one million nine hundred twenty thousand eight hundred seven) regular shares with a nominal value of HRK 200.00 (two hundred kuna), respectively. The company's share capital has been paid in full.

**II** It is established that the loss in 2010 amounted to HRK 96,670,097.05 and that the company's carried forward losses from previous periods amount to HRK 184,131,093.27, i.e. that the company's total losses as of December 31, 2010 amounted to HRK 280,801,190.32. It is established that the company's auditor HLB Revidicon d.o.o. established in its report the total loss as of December 31, 2010, whereby the prerequisites from article 349, item 2 of the Companies Act in regards to the passing of a decision on a simplified share capital reduction have been met. The share capital is reduced exclusively in order to cover the company's losses generated in previous periods ending with the year 2010 with the aim to recapitalize the company after covering the losses with existing reserves.

**III** On this basis it is established that the 2010 loss of HRK 96,670,097.05 (ninety-six million, six hundred seventy thousand ninety-seven kuna and five lipa) shall be partially covered through the company's existing reserves amounting to HRK 10,428,371.48 (ten million four hundred twenty-eight thousand three hundred seventy-one kuna and forty-eight lipa), while the remaining HRK 86,241,725.57 (eighty-six million two hundred forty-one thousand seven hundred twenty-five kuna and fifty-seven lipa) shall be covered at the expense of the registered capital.

**IV** It is established that the carried forward losses amounting to HRK 184,131,093.27 (one hundred eighty-four million one hundred thirty-one thousand ninety-three kuna and twenty-seven lipa) shall be covered at the expense of the registered capital.

**V** It is established that the total simplified capital reduction on the basis of part of the current loss for 2010 and carried-forward losses amounts to HRK 270,372,818.84 (two hundred seventy million three hundred seventy-two thousand eight hundred eighteen kuna and eighty-four lipa).

**VI** The nominal share value of HRK 200.00 (two hundred kuna) shall be reduced by HRK 150.00 (one hundred and fifty kuna) to a nominal amount of HRK 50 (fifty kuna) per share.

**VII** After the share capital reduction, the company's share capital should amount HRK 113,788,581.16, but due to the obligation to round share values to the nearest 10, the company's new share capital will amount to HRK 96,040,350.00 (ninety-six million forty thousand three hundred and fifty kuna) and will be divided into 1,920,807 (one million nine hundred twenty thousand eight hundred and seven) regular shares with a nominal value of HRK 50.00 (fifty kuna), respectively.

**VIII** The difference of HRK 17,748,231.16 derives from the need to round the price of shares which constitute the company's capital reserves.

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**IX** The company's Management Board is obligated to undertake all actions in relation to registering this decision in the court registry of the Trade Court in Varaždin and the depository of the Central Depository & Clearing Company.

**X** The share capital reduction shall be deemed completed as of the day this decision is registered in the court registry of the Trade Court in Varaždin.

**Ad 7** A decision is made on the amendment of the Articles of Association as follows:

1. Article 7 of the Articles of Association has been amended and now reads as follows:
  - (1) The company's share capital amounts to HRK 96,040,350.00 (ninety-six million forty thousand three hundred and fifty kuna).
  - (2) The company's share value has been paid in full.
  - (3) The company's share capital is divided into 1,920,807 (one million nine hundred twenty thousand eight hundred and seven) regular shares with a nominal value of HRK 50.00 (fifty kuna), respectively.
2. The Supervisory Board is obligated to draw up and establish the revised Articles of Association.
3. This decision shall come into effect as of the day of its passing.

**Ad 8** HLB Revidicon d.o.o. from Varaždin will be chosen as the company's auditor for the fiscal year 2011.

The company's Management Board is authorized to conclude the corresponding audit agreement with the selected auditing company and to establish the fee for its work.

## INVITATION TO SHAREHOLDERS

Persons who cumulatively meet the following conditions are entitled to partake in the General Shareholders' Meeting and to vote: persons registered as owners in the Share Registry of the Central Depository & Clearing Company in Zagreb if they register for participation by September 1, 2011 at the latest.

Shareholders may also realize the right to vote at the General Shareholders' Meeting via a plenipotentiary pursuant to the provisions of the Companies Act and the Articles of Association of Varteks d.d.

Plenipotentiaries representing shareholders at the General Shareholders' Meeting are obliged to provide a power of attorney for representation.

Shareholders may have insight into the materials for the General Shareholders' Meeting serving as the basis for decision-making at the company's headquarters every working day from 8 a.m. to noon, starting from the first day after the release of this invitation until the day of the General Shareholders' Meeting as follows:

- at the location in Varaždin, Zagrebačka 94, Legal and Corporate Management Sector of Varteks d.d. Varaždin and
- on the company's website.

If conditions are not met at the General Shareholders' Meeting in terms of quorum, the regular General Shareholders' Meeting shall be held with the same agenda on September 16, 2011 starting from noon, at the same location, if attended by shareholders or the plenipotentiaries thereof who jointly hold shares with a nominal value of more than 30 percent of the share capital.

**VARTEKS d.d.**  
Varaždin

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