

PLAVA LAGUNA

joint stock company for hotel management and tourism

MANAGEMENT BOARD

Number: MB - 48/2013

Date: May 27th 2013

Pursuant to article 277 paragraph 2 of the Companies Act and article 41 of the Statute of PLAVA LAGUNA joint stock company for hotel management and tourism, the Company's Management board on May 27th 2013 renders the following:

DECISION ON CONVOCATION OF THE GENERAL ASSEMBLY

of the company PLAVA LAGUNA j.s.c. Poreč, Rade Končara 12 (hereinafter referred to as: the Company), which shall be held on August 2nd 2013 in the premises of hotel Laguna Parentium in Poreč, commencing at 11.00 o'clock.

WE PROPOSE THE FOLLOWING

AGENDA

1. Opening of the General Assembly and determining the list of participants
2. Presentation of the Management board report on the state of the Company in 2012
3. Supervisory board report on the performed supervision of business affairs of the Company, the results of examination of annual financial reports, reports on the state of the Company and the proposal of use of profit for 2012
4. Presentation of the auditor's reports of the Company's business conduct in 2012
5. Presentation of annual financial reports
6. Rendering the decision on the use of profit gained in the business year of 2012
7. Rendering the decision on conversion of shares with nominal value into shares without nominal value
8. Rendering the decision on increase of the share capital from the Company's funds
9. Rendering the decision on amendments of the Statute of the company PLAVA LAGUNA j.s.c. Poreč
10. Rendering the decision on determination of the amount of compensation for the Supervisory board and management for results achieved in the business year of 2012
11. Rendering the decision on granting clearance to the members of the Management board
12. Rendering the decision on granting clearance to the Supervisory board
13. Rendering the decision on appointment of the Company's auditor for 2013

All shareholders are invited to take part of the General Assembly session.

PROPOSAL OF DECISIONS

Ad. - 2

The Management board report on the state of the Company in 2012 is adopted.

Ad. - 3

The Supervisory board report on the performed supervision of business affairs of the Company, the results of examination of yearly financial reports, reports on the state of the Company and the proposal of use of profit for 2012 is adopted

Ad. - 4

The auditor's reports of the Company's business conduct in 2012 are adopted.

Ad. -5

The annual financial reports for the business year of 2012 are confirmed.

Ad. - 6

The decision on use of profit gained in 2012 is rendered as follows:

The profit in the amount of 106.273.873,03 kuna shall be allocated as follows:

- a) the amount of 92.874.060,00 kuna shall be used as reinvested profits to increase the share capital from the Company's funds,
- b) the amount of 13.399.813,03 kuna is allocated in retained earnings.

Use of retained earnings

a) from 2007.:

- The amount of 105.000,00 kuna is allocated for payment of preferred fixed dividends in the amount of 1,00 kuna per preferred share,
- The amount of 5.475.032,12 kuna is allocated for payment of ordinary dividends to shareholders;

b) from 2008.:

- The amount of 9.601.880,66 kuna is allocated for payment of ordinary dividends to shareholders;

c) from 2011.:

- The amount of 43.399.633,79 kuna is allocated for payment of ordinary dividends to shareholders.

On the basis of above mentioned criteria, a total amount of 58.581.546,57 will be paid out as dividend in the amount of 91,06 kuna per ordinary share, and 92,06 kuna per preferred share.

Ad. - 7

The decision on conversion of shares with nominal value into shares without nominal value in the manner that all 546.318 ordinary shares of the "A" series, each of 1.800,00 kuna of nominal value are replaced with 546.318 ordinary registered – name shares without nominal value is rendered.

Ad. - 8

The decision on increase of the share capital from the Company's funds is rendered. The Company's share capital is being increased from the Company's funds without issuing new shares, in the manner that a part of the profit gained in 2012 in the amount of 92.874.060,00 kuna is used as reinvested profit for the said purposes.

The Company's share capital is increasing from the amount of 1.088.372.400,00 kuna for the amount of 92.874.060,00 kuna to the amount of 1.181.246.460,00 kuna.

Ad. - 9

Amendments of the Statute of the company PLAVA LAGUNA j.s.c. Poreč are being adopted as follows:

Article 9 of the Statute of the company PLAVA LAGUNA j.s.c. Poreč, rendered by decision of the General Assembly of shareholders GA-29/2012 on August 30th 2012, is being amended as follows:

"The Company's share capital amounts to 1.181.246.460,00 kuna."

Article 17 paragraph 2 of the Statute of the company PLAVA LAGUNA j.s.c. Poreč is being amended as follows:

"The Company issued 546.318 ordinary shares of the A series without nominal value."

The management Board is herewith being authorised to prepare the complete text of the Statute and submit the said to the Court's registry of the Commercial court in Rijeka, Permanent office in Pazin.

Ad. - 10

The decision on determination of the amount of compensation for the Supervisory board and management for results achieved in the business year of 2012 is adopted, awarding them remuneration for the achieved results in the total amount of 5.070,000,00 kuna that shall be imputed to business operations in 2013.

Ad. - 11

The Management board is granted clearance.

Ad. - 12

The Supervisory board is granted clearance.

Ad. - 13

PricewaterhouseCoopers d.o.o from Zagreb is appointed as the Company's auditor for the business year of 2013

The Management and Supervisory board jointly propose the decisions under 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 while the decision under number 13 is proposed by the Supervisory board.

OTHER NOTES:

- APPLICATION

The right to take part at the General Assembly and exercise the right to vote belongs to all the Company's shareholders registered at the depository of the Central depository and clearing company on the beginning of the 21st day before the day the General Assembly is held, and who applied their partaking in the General Assembly to the Company's Management board no later than six (6) calendar days before the General Assembly is held, where the day of receipt of the application at the Company is not included in this period.

The partaking forms are available at the Company's headquarters.

The right to take part and to vote may be exercised by the shareholder personally or through an attorney.

The application to take part of the General Assembly and the power of attorney are delivered to the Company's seat with the indication "for the General Assembly".

- POWER OF ATTORNEY

The shareholders may be represented by attorneys pursuant to a valid written power of attorney issued by the shareholder, or in case the shareholder is a legal entity, by the person authorised for representation. The power of attorney must be in writing and contain the attorney's identity, the shareholder issuing the power of attorney, total nominal value of shares and number of votes at his disposal, the authority to act and vote on behalf of the shareholder at the General Assembly, the date of issuance and period of validity of the power of attorney. It is not required to certify the power of attorney by a notary public.

The power of attorney forms may be obtained at the Company's headquarters.

Shareholders owning jointly the shares that amount to twenty percent of the Company's share capital have the right to demand to put a certain matter on the General Assembly's agenda, together with an explanation and decision proposal. Such a demand must reach the Company at least thirty (30) days prior to the General Assembly session, where the day of receipt of the demand at the Company is not included in this period.

The shareholders' counterproposals to the proposals made by the Management and/or Supervisory board containing the name and surname of the shareholder, with explanations, must be received by the Company no later than fourteen (14) days prior to the General Assembly session, where the day of receipt of the counterproposal at the Company is not included in this period. If the shareholder chooses not to exercise the said right, this shall not result in loss of right to make counterproposals at the General Assembly. The same rules shall apply to the shareholders' proposals for appointment of auditors, but the said proposal must not be explained.

At the General Assembly the Management board must give each shareholder, upon request, information about the Company's business affairs if this is necessary to decide about the issues on the agenda, where the information may be withheld for reasons set by the Companies Act.

Shareholders may review all the materials for the General Assembly at the Company's headquarters upon the publication of the invitation to the General Assembly, every work day between 10,00 and 12,00 o'clock.

Each shareholder may receive a copy of the said materials upon request.

Pursuant to article 280a of the Companies Act, all the relevant materials for the session of the General assembly shall be available on the Company's website www.lagunaporec.com.

The shareholders, that is, their attorneys must register no later than 60 minutes before the commencement of the General Assembly in order to have a timely list of participants.

In case the convened General Assembly lacks the quorum for its session, the following Assembly shall be held on August 3rd 2013 at 11,00 o'clock at the same venue, with the same agenda, no matter if the quorum is met.

PLAVA LAGUNA j.s.c. Poreč