

PLAVA LAGUNA

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MANAGEMENT BOARD

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Date: June 30th 2017

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, on June 30th 2017 the Company's Management board rendered the Decision on convocation of the General assembly of shareholders of PLAVA LAGUNA j.s.c. Poreč, Rade Končara 12 (hereinafter referred to as: the Company), determining the date and time of the meeting, agenda, shareholders' rights to participate and the obligation to publish the call.

All shareholders are herewith being invited to take part of the

ORDINARY GENERAL ASSEMBLY

which shall be held on August 11th 2017 in the premises of hotel Laguna Parentium in Poreč, commencing at 10.00 o'clock.

WE PROPOSE THE FOLLOWING

AGENDA

1. Opening of the General Assembly, determining the Agenda and list of participants,
2. Management board report on the state of the Company in 2016 (unconsolidated and consolidated),
3. Supervisory board report on the performed supervision of business affairs of the Company in 2016,
4. Rendering the decision on the establishment and the adoption of annual financial reports for 2016 (unconsolidated and consolidated),
5. Rendering the decision on the use of profit gained in the business year of 2016
6. Rendering the decision on payment of dividend,
7. Rendering the decision on increase of the share capital from the Company's funds,
8. Rendering the decision on amendments of the Statute of the company PLAVA LAGUNA j.s.c. Poreč,
9. Rendering the decision on granting clearance to the members of the Management board,
10. Rendering the decision on granting clearance to the Supervisory board,
11. Decision on removal and election of members of the Company's Supervisory board
12. Rendering the decision on appointment of the Company's auditor for 2017.

PROPOSAL OF DECISIONS

Ad. – 1.

Note: The decision under this point of the Agenda is not being rendered by shareholders, for the chairman opens the General Assembly, determines the Agenda and present shareholders and their representatives in the presence of the notary public.

Ad. - 2

The Management board report on the state of the Company in 2016 (unconsolidated and consolidated) is accepted.

Ad. - 3

The Supervisory board report on supervision over the management of the Company's operations, on the results following the review of the financial reports, the report on the situation in the Company and the proposed decision on the use of PLAVA LAGUNA j.s.c.'s profit for 2016 is accepted.

Ad. - 4

The annual financial reports for the business year of 2016 (unconsolidated and consolidated) are established and adopted.

Ad. -5

The decision on use of profit gained in 2016 is rendered in a manner that the profit in the amount of 100.717.564,54 kuna shall be allocated as follows:

- the amount of 3.610.059,58 kuna shall be allocated in legal reserves,
- the amount of 51.759.903,83 kuna shall be used as reinvested profits to increase the share capital from the Company's funds,
- the amount of 45.347.601,13 kuna is allocated in retained earnings.

Ad. – 6

The decision on payment of dividend is rendered:

From the earnings retained in 2011 the amount of 105.000,00 kuna is allocated for the payment of preferred fix dividend in the amount of 1,00 kuna per preferred share.

In respect of the dividend that shall be paid to shareholders the Company shall calculate and pay due taxes in accordance with valid legal provisions.

The right to the payment of dividend belongs to shareholders registered as such in the central depository seven (7) days after the decision on the payment of dividend is rendered.

Ad. – 7

The decision on increase of the share capital from the Company's funds without issuing new shares is rendered, by reinvesting a part of the profit gained in 2016 (reinvested profit) in the amount of 51.759.903,83 kuna.

The Company's share capital is increasing from the amount of 1.385.151.471,47 kuna for the amount of 51.759.903,83 kuna to the amount of 1.436.911.375,30 kuna.

This Decision is based on the Annual financial reports of the Company for 2016, together with the Report of the independent auditor for 2016. The General Assembly established and adopted the Company's Annual financial reports for 2016 in accordance with article 303e of the Companies Act. In the Company's Annual financial reports for 2016 is determined the net profit in the amount of 100.717.564,54 kuna, from which the amount of 51.759.903,83 kuna shall be used as reinvested

profit for increase of the stock capital from the Company's funds in accordance with the General Assembly Decision on the use of profit and this Decision. The Auditor of the Company PricewaterhouseCoopers Ltd Zagreb confirmed the Financial reports for 2016 without remarks.

Ad. – 8

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, complete text from August 19th 2016 is being amended as follows:

“The Company's share capital amounts to 1.436.911.375,30 kuna.”

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 competent commercial court.

Ad. – 9

The Management board is approved (granted clearance) for the work of Company's business management in the previous business year.

Ad. – 10

The Supervisory Board is approved (granted clearance) for the work of supervising Company's business in the previous business year.

Ad. – 11

The Decision on removal and election of members of the Supervisory board is rendered:

Due to expiration of mandate, the following are removed from duty of members of the Supervisory board:

Davor Luksic Lederer, PIN: 01548617347, Zagreb, Gajeva ulica 21

Patricio Tomas Balmaceda Tafra, PIN: 63265838734, Dubrovnik, Vatroslava Lisinskog 51

Davor Domitrovic Grubisic, PIN: 34595646995, Čile, Santiago, La Reina, Camilo Mori 1928B

José Ignacio Bulnes León, PIN: 36377404105, Čile, Santiago, Camino del Cielo 2996, Casa J/Lo Barnechea

Borislav Škegro, PIN: 10220843318, Zagreb, Gornji Bukovac 110B

Boris Šavorić, PIN: 54054407085, Zagreb, Jurjevska 25 b

with August 28th 2017.

It is established that the mandate of Mr. Stipe Liović, PIN: 50728335869, Poreč, Istarska 12, as the employees' representative in the Supervisory board, expires on August 28th 2017 as well.

The Supervisory board consists of five members.

The following are elected as members of the Supervisory board:

Davor Luksic Lederer, PIN: 01548617347, Zagreb, Gajeva ulica 21

Patricio Tomas Balmaceda Tafra, PIN: 63265838734, Dubrovnik, Vatroslava Lisinskog 51

Davor Domitrovic Grubisic, PIN: 34595646995, Čile, Santiago, La Reina, Camilo Mori 1928B

José Ignacio Bulnes León, PIN: 36377404105, Čile, Santiago, Camino del Cielo 2996, Casa J/Lo Barnechea

The members of the Supervisory board are elected for the period of 4 years, commencing on August 29th 2017.

Ad. – 12

PricewaterhouseCoopers d.o.o from Zagreb is appointed as the Company's auditor for the business year of 2017.

The Management and Supervisory board jointly propose the decisions under 2 - 10 while the Supervisory board proposes decisions under numbers 11-12.

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 on the Company's website.

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".

The shareholders, that is, their attorneys must register no later than 30 minutes before the commencement of the General Assembly in order to have a timely list of participants.

- 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, 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 are available on the Company's website.

- AMENDMENTS OF THE AGENDA

Shareholders owning jointly the shares equalling the twentieth part 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.

- COUNTERPROPOSALS

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 does not have to be explained.

- RIGHT TO INFORMATION

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.

- MATERIALS

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 biz.plavalaguna.hr.

- NEXT GENERAL ASSEMBLY

In case the convened General Assembly lacks the quorum for its session, the following Assembly shall be held on August 12th 2017 at 10,00 o'clock at the same venue, with the same agenda, no matter if the quorum is met.

PLAVA LAGUNA j.s.c. Poreč