

PLAVA LAGUNA

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MANAGEMENT BOARD

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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

EXTRAORDINARY GENERAL ASSEMBLY

which shall be held on August 11th 2017 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, determining the Agenda and list of participants,
2. Rendering the decision on stock split
3. Rendering the decision on approval of the Merger agreement
4. Rendering the decision on increase of the Company's stock capital and issuance of ordinary shares of the Company to implement the merger
5. Rendering the decision on amendments of the Statute of the company PLAVA LAGUNA j.s.c. Poreč,
6. Rendering the decision on listing the Company's shares on the Regular Market of the Zagreb stock exchange j.s.c.

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 Company's ordinary registered – name shares marked as PLAG-R-A shall be split. One ordinary registered name share without nominal amount is split into 4 (four) new ordinary registered – name shares of the Company without nominal amount.

The Company's preferred registered – name shares marked as PLAG-P-A shall be split. One preferred registered – name share of the Company of the nominal amount of 1.000,00 (one thousand) kuna each is split into 4 (four) new preferred registered – name shares of the Company of the nominal amount of 250,00 (two hundred fifty) kuna each, with adequate alteration of the rights of holders of preferred shares to the fix dividend, in the manner that the fix dividend amount of 1,00 (one) kuna per share yearly is adequately decreased at 0,25 kuna per share yearly.

The stock split does not increase the stock split.

The Management board and Supervisory board of the Company are being authorised and responsible to take all required actions in accordance with relevant regulations in order to implement this decision on stock split, including for the implementation of the corporate action of stock split in the Central depository and clearing company j.s.c. system.

All stock split costs shall be met by the Company.

Ad. - 3

In accordance with regulations of Article 516 of the Companies Act, the Merger agreement entered on June 29th 2017 between the company PLAVA LAGUNA j.s.c. Poreč as the acquiring company and the company ISTRATURIST UMAG , j.s.c. Umag as the associated company is being approved.

Ad. – 4

In order to implement the merger of the company ISTRATURIST UMAG , j.s.c. Umag as the associated company (hereinafter: Associated company), the stock capital of the company PLAVA LAGUNA j.s.c. Poreč as the acquiring company (hereinafter: Company or Acquiring company), from the amount of 1.436.911.375,30 kuna for the amount of 7.618.681,88 kuna to the amount of 1.444.530.057,18 kuna.

The stock capital of the Company is increased by issuing 15.500 new ordinary registered – name shares of the Acquiring company, without nominal amount (hereinafter: New shares), with the mark PLAG-R-A or another mark determined by the Central depository and clearing company j.s.c. (hereinafter: CDCC).

New shares shall be transferred to the shareholders of the Associated company in exchange for the shares they hold in the Associated company in the ratio 1:0,1994686, so that every shareholder of the Associated company receives 0,1994686 shares of the Acquiring company in exchange for 1 (one) share of the Associated company.

The Acquiring company shall pay to shareholders of the Associated company who would not receive a whole number of shares of the Acquiring company pursuant to the calculation of the number of shares after the exchange, contributions in cash in terms of Article 513 point 4 in conjunction with Article 520 paragraph 4 of the Companies Act, in accordance with the Merger agreement entered on June 29th 2017 between the Acquiring company and the Associated company.

Upon the registration of the merger in the court's registry the New shares shall give to shareholders the same rights as ordinary registered-name shares, including the right to participate in the profit of the Company in accordance with provisions of the Companies Act and the Statute of the Company.

The Management board and Supervisory board of the Company are being authorised and responsible to take all required actions in accordance with relevant regulations in order to implement this decision, including for the implementation of the corporate action of increase of the stock capital and issuance of New shares in the CDCC system.

All costs regarding the increase of the stock capital of the Company and issuance of New shares shall be met by the Acquiring company.

Ad. -5

Article 8 of the Statute of the company PLAVA LAGUNA j.s.c. Poreč, as amended on the previous General Assembly of the Company is herewith amended with the following activities:

„* preparation of foods, beverages and drinks for consumption in other places with or without serving (in vehicles, at events and similar) and supply of such foods, beverages and drinks (catering)
* agency in the conclusion of transactions on money market
* computer and related activities
* data processing
* creation of databases
* supply of thermal energy
* production, placing on the market and use of chemicals
* training for work safety
* breeding and production of breeding-valued animals
* breeding of pets
* agency activities in road traffic
* processing and preserving of meat and meat products
* washing and dry cleaning of textiles and similar products
* holding companies activities
* information company services
* internet access services
* activity of electronic communication networks and services
* Business and management consulting
* Conducting investment works abroad
* fire protection activities
* activities of rental and leasing of vehicles
* activities of rental and leasing of personal and household items.”

Article 9 of the Statute of the company PLAVA LAGUNA j.s.c. Poreč, as amended on the previous General Assembly of the Company is herewith amended as follows:

“The Company’s share capital amounts to 1.444.530.057,18 kuna.”

Article 17 paragraph 2 of the Statute of the company PLAVA LAGUNA j.s.c. Poreč, as amended on the previous General Assembly of the Company is herewith amended as follows:

“The Company issued 2.197.772 ordinary shares without nominal value.”

Article 19 paragraph 1 of the Statute of the company PLAVA LAGUNA j.s.c. Poreč, as amended on the previous General Assembly of the Company is herewith amended as follows:

“The Company issued 420.000 preferred registered - name shares, each of 250,00 kuna of nominal value.”

Article 19 paragraph 2 of the Statute of the company PLAVA LAGUNA j.s.c. Poreč, as amended on the previous General Assembly of the Company is herewith amended as follows:

Each preferred share of the Company provides to its holder the rights to:

- the right to a fixed dividend in the amount of 0,25 kuna per preferred share yearly,
- ordinary dividend in the amount of dividend paid per single ordinary share,
- payment of a part of the liquidation or bankruptcy estate of the Company
- other rights according to the Company’s Statute and the law.”

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. – 6

It is determined to list on the Regular Market of the Zagreb stock exchange j.s.c. 12.500 new ordinary registered-name shares without nominal amount (hereinafter: New shares) with the mark PLAG-R-A or another mark determined by the Central depository and clearing company j.s.c. (hereinafter: CDCC), that shall be issued in accordance with the Decision of the General Assembly of August 11th 2017 on the increase of stock capital and issuance of ordinary shares for the implementation of merger of the company ISTRATURIST UMAG , j.s.c. Umag as the associated company to the company PLAVA LAGUNA j.s.c. Poreč as the acquiring company.

The management board and Supervisory board of the Company are being authorised and responsible to take all required actions in accordance with relevant regulations in order to list all New shares on the Regular Market of the Zagreb stock exchange j.s.c.

The Management and Supervisory board jointly propose the decisions under 2 – 4 and 6 while the Supervisory board proposes the decision under number 5.

Holders of preferred shares of the Company shall vote separately on points number 2-5 of the General Assembly Agenda.

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.

Upon his request each shareholder must be given all information regarding facts in conjunction with companies taking part in the merger that are important for the procedure.

- 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 and 517 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 where it can be downloaded without charge.

In accordance with article 517 of the Companies Act it is announced that the Merger contract entered on June 29th 2017 between the company PLAVA LAGUNA j.s.c. Poreč as the acquiring company and the company ISTRATURIST UMAG , j.s.c. Umag as the associated company has been submitted to the court registry of the Commercial court in Pazin on June 30th 2017.

- 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 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