

Pursuant to article 277 paragraph 2 of the Companies Act and article 54 of the Statute of PLAVA LAGUNA joint stock company for hotel management and tourism, the Company's Management board on June 29<sup>th</sup> 2012 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 30<sup>th</sup> 2012 in the facilities of hotel Laguna Parentium in Poreč, commencing at 10.00 o'clock.

**WE PROPOSE THE FOLLOWING**

#### **AGENDA**

- 1. Opening of the Grand Assembly and determining the list of participants**
- 2. Presenting of the Management board report on the state of the Company in 2011**
- 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 2011**
- 4. Presenting the auditor's reports of the Company's business conduct in 2011**
- 5. Presenting the annual financial reports**
- 6. Rendering the decision on the use of profit gained in the business year of 2011**
- 7. Rendering the decision on determination of the amount of compensation for the Supervisory board and management for results achieved in the business year of 2011**
- 8. Rendering the decision on granting clearance to the members of the Management board**
- 9. Rendering the decision on granting clearance to the Supervisory board**
- 10. Decision on the new Statute of the Company,**
- 11. Rendering the decision on appointment of the Company's auditor for 2012**

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 2011 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 2011 is adopted

Ad. - 4.

The auditor's reports of the Company's business conduct in 2011 are adopted.

Ad. -5.

The annual financial reports for the business year of 2011 are confirmed.

Ad. - 6.

The decision on use of profit gained in 2011 is rendered.

Ad. - 7.

The decision on determination of the amount of compensation for the Supervisory board and management for results achieved in the business year of 2011 is adopted.

Ad. – 8.

The Management board is granted clearance.

Ad. - 9.

The Supervisory board is granted clearance.

Ad. – 10.

The new text of the Company's Statute is adopted in the following text:

"On the basis of Article 301 paragraph 1 of the Companies Act (Official gazette no. 111/93, 34/99, 118/03 and 107/07, 146/08, 137/09) the Shareholders' Assembly of PLAVA LAGUNA joint stock company Poreč, recorded at the Court's registry of the Commercial court in Rijeka – permanent offices in Pazin, under the registration number (MBS): 040020834, (hereinafter referred to as: the Company), on August 30<sup>th</sup> 2012, renders the following:

**STATUTE  
OF PLAVA LAGUNA, JOINT STOCK COMPANY, POREČ**

**PREAMBLE**

**Article 1**

PLAVA LAGUNA joint stock company for hotel management and tourism (hereinafter referred to as: the Company), was established through the transformation of the social enterprise "Plava laguna – Laguna Poreč" into a joint stock company pursuant to the Decision on Transformation of February 24<sup>th</sup> 1992, and the Decree of the Croatian Privatization Fund number: 306-02/92-03/196 of September 3<sup>rd</sup> 1992 by which the proposed manner of transformation was approved. Based on the aforementioned decisions the Company registered at the Commercial Court in Rijeka, number: FI-1103/92 of January 26<sup>th</sup> 1993.

## **GENERAL PROVISIONS**

### **Article 2**

This Statute determines the basic rules of the legal status and organisation of the Company as well as the rules on mutual relations between the shareholders and the Company.

### **Article 3**

The purpose of the Company is the conduct of economic activities in order to gain profit.

## **THE ELEMENTS OF STATUS**

### **1. THE COMPANY NAME**

#### **Article 4**

The Company name is: PLAVA LAGUNA joint stock company for hotel management and tourism.

The abridged Company name is: PLAVA LAGUNA j.s.c.

The Decision on alteration of the Company name shall be rendered by the Company's Management board, with the consent of the Company's Supervisory board.

### **2. BRANCH OFFICES**

#### **Article 5**

The Company may establish branch offices beyond its seat with decisions rendered by the Company's Management board with the Company's Supervisory board approval.

### **3. THE COMPANY'S SEAT**

#### **Article 6**

The Company's seat is in Poreč.

The Company's business address within its seat shall be determined by the Company's Management board through a special decision.

The decision on the alteration of the Company's seat shall be rendered by the Company's Management board with the consent of the Company's Supervisory board.

### **4. SEAL**

#### **Article 7**

For its business conduct the Company uses a seal that contains the name and seat of the Company.

The shape, size and manner of use of the seal are determined by a special decision rendered by the Company's Management board.

## 5. SCOPE OF ACTIVITIES

### Article 8

The Company shall conduct the following activities:

- 45.3 Installation works
- 45.4 Finishing construction works
- 51 Wholesale and agency in trade, except trade of motor vehicles and motorcycles
- 52.1 Retail in unspecialised shops
- 60.21.2 Transport of passengers in urban and suburban traffic
- 60.23 Other road transport of passengers
- 63.30 Travel agencies and tour operator activities
- 64.12 Courier services
- 74.4 Promotion (advertising and propaganda)
- \* hotel and restaurant management: preparation of food and providing nutrition services, preparation and serving of beverages and drinks, and providing accommodation services
- \* organisation of particular games of chance
- \* vessel rental and providing holiday, sports and recreation services on vessels
- \* rental of objects and equipment for sports and recreation
- \* rental of temporary moorings for sports vessels
- \* developing, organising and conducting sports and recreation activities, instructions and competitions at sea, on land and in the air
- \* activities regarding development and organisation of special forms of tourism (health, congress, hunting)
- \* rental and storage of camping trailers, vessel trailers and other sports equipment
- \* exchange transactions
- \* engineering, project management and technical activities
- \* geodetic surveying
- \* copying, photocopying, duplicating and similar services
- \* representation of foreign companies
- \* international freight forwarding
- \* sales of foreign and domestic goods from duty free stores
- \* international transport of goods and passengers
- \* construction, planning and construction survey
- 55 Hotels and restaurants
- 61 Waterway transportation
- 70 Real estate transactions
- 92 Recreation, cultural and sports activities
- \* purchase and sale of goods and performing commercial agency in domestic and international market
- \* roadway transportation of passengers and cargo for own needs
- \* accounting activities
- \* providing services in nautical, rural, therapeutic, congress, sports, hunting and other types of tourism, providing other tourist services

In addition to the activities listed in paragraph 1 of this article, the Company may also perform other activities that serve the performance of the activities recorded in the court's registry, if performed to a lesser extent or if usually performed with the recorded activity.

## **6. THE SHARE CAPITAL**

### **Article 9**

The Company's share capital amounts to 1.088.372.400,00 kuna.

### **Increase of the share capital**

#### **Article 10**

The share capital may be increased by means of payment of the shares in moneys, assets or rights accompanied by issuance of new shares.

The share capital may be increased from the Company's funds, by means of transformation of the capital gain, retained profit and reserves into the Company's capital.

The decision on increase or decrease of the share capital is rendered by the Company's General Assembly with the shareholders' votes that represent at least  $\frac{3}{4}$  of the share capital present at the General Assembly.

### **Conditional increase of the share capital**

#### **Article 11**

The Company's General Assembly may decide upon the increase of the share capital of the Company that shall be carried out only to the extent required to effectuate the right to acquire shares as prescribed by the law. This decision may be rendered only by the shareholders' votes that represent  $\frac{3}{4}$  of the share capital present at the General Assembly at the time of decision – making as prescribed by the law.

### **Approved share capital**

#### **Article 12**

The Company's Management board, with the consent of the Company's Supervisory board, may increase the Company's share capital within 5 years from the day this article is first registered in the court's registry.

The nominal value of increase of the share capital pursuant to paragraph 1 of this article cannot exceed one half of the nominal value of the Company's share capital recorded in the court's registry at the moment of registration of this article of the Statute in the court's registry.

With the decision on increase of the share capital, the Management board with the consent of the Supervisory board may exclude the right of priority for inscription of new shares.

In the occasion of increase of the share capital pursuant to this article, the shares may be issued on the grounds of payment of the share, as well as for shares given in assets and rights.

## **Decrease of the share capital**

### **Article 13**

In accordance with the conditions and in the manner prescribed by the law, the General Assembly may decrease the Company's share capital in order to cover losses, transfer funds into the capital reserves or by withdrawal of shares.

## **Merger, acquisition and division the Company**

### **Article 14**

The merger, acquisition and division of the Company are performed in accordance with the Law.

## **7. SHARES**

### **Article 15**

The Company's shares are issued as registered – name shares, in a dematerialised form, and are transferable without restrictions in accordance with the valid laws.

The Company's share capital is divided into ordinary and preferred shares.

### **Article 16**

The Company issues ordinary registered – name shares, which provide their holders equal rights and ensure them equal status.

In addition to ordinary shares, the Company may issue preferred shares.

Holders of the preferred shares have rights in accordance with the law and this Statute, especially:

- § the right to a fixed dividend,
- § the right of priority in respect to payment of dividend,
- § the right of priority of settlement in the process of liquidation or bankruptcy of the Company.

Preferred shares shall not provide the their holder the right to vote at the Company's General Assembly.

## **Ordinary shares**

### **Article 17**

Shares issued pursuant the Decision on transformation of „Plava laguna – Laguna Poreč“ enterprise for hotel management and tourism, Poreč into a joint stock company are ordinary, "A" series, registered – name shares, and are considered to be founding shares.

The Company issued 546.318 ordinary shares of the A series, each of 1.800,00 kuna of nominal value.

Any latter series of shares is marked with the subsequent letter of the alphabet.

## Article 18

Ordinary shares provide its holder the following rights:

- § the right to vote at the Company's General Assembly,
- § the right to receive payment of a part of the Company's profit (dividend)
- § the right to receive payment of a part of the Company's liquidation, that is, bankruptcy estate remainder.

One ordinary share gives the right to one vote at the Company's General Assembly.

## Preferred shares

## Article 19

The Company issued 105.000 preferred shares of the B series, each of 1.000,00 kuna of nominal value.

The preferred shares provide its holder the following rights:

- § the right to a fixed dividend,
- § the right of priority in respect to payment of dividend,
- § the right of priority of settlement in the process of liquidation or bankruptcy of the Company.

The preferred shares do not give its holder the right to vote at the Company's General Assembly.

## 8. USE AND ALLOCATION OF PROFIT

## Article 20

The business year is the calendar year.

The Company's profit is determined for each business year in the manner prescribed by the law.

The Management board is obliged to allocate the net profit gained in the past business year in the following order:

1. cover of losses transferred from past years,
2. shift into legal reserves
3. shift into reserves for own shares
4. dividend payout
5. payout of the portion belonging to the Management board pursuant to their partaking in the profit
6. other reserves.

## Article 21

The shareholders' participation in the profit (the dividend) is determined through the percentage of the paid amount of shares in respect to the share capital.

The General Assembly may determine the shareholders' participation in the Company's profit in an absolute amount.

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

## **Article 22**

Upon the termination of a business year, the Management board may pay the shareholders and advance of the dividend from the foreseeable part of the net profit.

The Management board is entitled to pay the advance only when the provisional profit and loss account made for the preceding year shows gained profit. The advance may amount up to one half of the profit, reduced by the amounts that must be shifted into the Company's reserves pursuant to the law and Statute. Furthermore, the advance payment may not exceed one half of the profit gained in the preceding year.

In order to make the advance payment the Supervisory board's consent must be obtained.

## **THE BODIES OF THE COMPANY**

### **Article 23**

The bodies of the Company are:

- § the Management board
- § the Supervisory board
- § the General Assembly.

#### **1. THE MANAGEMENT BOARD**

##### **The composition of the Management board**

### **Article 24**

The Management board shall consist of no more than five members (directors). The number of members of the Management board is determined by the decision of appointment rendered by the Supervisory board.

When more members compose the Management board, one among them must be appointed as the Management board President.

A member of the Management board may only be a person of full business capacity and for whom there are no legal impediments to become a management board member.

##### **Management of the Company's business affairs**

### **Article 25**

The Management board manages the Company's affairs at its own responsibility, where it is obliged and entitled to undertake all activities and render all decisions that are deemed necessary for the successful conduct of the Company's business affairs.

The management of the Company's business affairs encompasses establishing and conducting the Company's business policy, establishing the Company's organisation, management of the Company's operative businesses, bookkeeping and reporting to other bodies of the Company, as well as rendering required acts within the above said tasks.

When the Management board consists of more persons, the members are entitled to conduct business affairs jointly and render decisions with the majority of votes, except in case a decision of the Supervisory board or the Management board's Rules of



Procedures define their right to conduct business affairs of a specific field in a different manner.

In case during decision making the votes are equally divided, the vote of the President of the Management board shall prevail.

## **Article 26**

The Management board is obliged to provide the prior approval of the Supervisory board to render the following decisions and acts of the Company:

- establishing of companies in the country and abroad,
- sale of stocks, that is, shares the Company has in other companies,
- purchase of stocks, that is, business shares in other companies,
- sale of immovable property exceeding 1% of the total value of the share capital,
- purchase and encumbrance of immovable property exceeding 1% of the total value of the share capital,
- taking on a guarantee for the amount exceeding 2% of the total value of the share capital,
- taking a loan and issuing securities exceeding 2% of the total value of the share capital.

Other than the restrictions enumerated in the previous paragraph, the Supervisory board may determine other decisions or acts the Management board is allowed to render only with the consent of the Supervisory board, by means of the Management board Rules of Procedure or a particular decision.

## **Representation of the Company**

### **Article 27**

The Management board represents the Company by undertaking all legal acts of representation in business affairs, before the court and other authorities.

In case the Management board consists of more members and the President of the Management board, the Management board represents the Company in an unrestricted manner and jointly, namely, the President of the Management board together with one member of the Management board, except if a decision of the Supervisory board or the Management board Rules of Procedure determine a different right to act for and on behalf of and represent the Company.

In case the Management board only consists of one member – director, he represents the Company independently and individually in accordance with the provisions of this Statute, the Management board Rules of Procedure and decisions rendered by the Supervisory board.

When the only member of the Management board is prevented from performance of his/her duties, the Company shall be represented by the person authorised by him/her with the approval of the Supervisory Board or by the Supervisory board itself.

## **Power of attorney and procuration**

### **Article 28**

The Management board may provide a person with a written power of attorney to conclude certain types of contracts and undertake other legal acts or to conclude individually defined contracts and to undertake individually defined acts in accordance with the given authorization of representation.

The procuration is given by the Supervisory board upon proposal of the Management board.

## **Appointment and removal of members of the Management board**

### **Article 29**

The Supervisory board appoints and removes the members and the President of the Management board, and determines the number of its members.

The mandate of the Management board members may last up to five years in accordance with the decision rendered by the Supervisory board, and one can be reappointed.

In case a member or the President of the Management board cease to perform their duties prior to the expiration of their mandate, the Supervisory board shall appoint a new member of the Management board, whose mandate shall last until the expiration of the term of the member of the Management board whose mandate ceased.

## **Contract on rights and obligations**

### **Article 30**

The President of the Supervisory board on behalf of the Company concludes a contract with the members of the Management board governing their rights and obligations regarding the performance of their function as Management board members.

The contracts referred to in the previous paragraph are concluded for the period that corresponds to the period of appointment as the Management board member.

## **The resignation of a Management board member**

### **Article 31**

The member or President of the Management board may resign in accordance with the law.

## **2. THE SUPERVISORY BOARD**

### **The composition of the Supervisory board**

#### **Article 32**

The Company's Supervisory board is composed by no more than seven members, and no less than three. The number of members of the Supervisory board is determined by the General Assembly's decision of election.

The mandate of the members of the Supervisory board lasts four years and they may be re-elected or reappointed.

A shorter mandate may be determined in the decision of election.

Any natural person of full business capacity, for whom there are no legally prescribed impediments for membership, and whose knowledge, experience, working and moral characteristics guarantee his/her membership duties shall be performed properly, may become a member of the Supervisory board.

The members of the Supervisory board shall elect a President and his/her deputy among themselves.

The deputy substitutes the President in case of absence of the latter, and has the authority of the President only when he is prevented from performing his/her function.

### **Election, appointment and removal of members of the Supervisory board**

#### **Article 33**

The members of the Supervisory board are elected by the Company's General Assembly with the majority of the given votes. The members of the Supervisory board are elected based on a list, not individually.

When so prescribed by a particular regulation, the employees have the right to appoint one member of the Supervisory board among them through the Employees Council.

In the event of an early termination of mandate of an individual member of the Supervisory board, a new member, whose mandate shall last until the expiration of the revoked member's mandate, shall be elected.

The General Assembly may remove a member of the Supervisory board before the termination of the mandate one was elected for.

### **The competencies of the Supervisory board**

#### **Article 34**

The Supervisory board shall perform the following tasks:

- § supervises the Company's business management
- § appoints and removes the members and President of the Management board
- § renders the Rules of Procedure of the Management board and the Supervisory board if needed
- § presents the General Assembly with a written report on the supervision of the Company's business affairs
- § convenes the General Assembly if necessary,
- § represents the Company in relations with the Management board
- § grants consent to the decisions rendered by the Company's Management board when so prescribed by law, this Statute or the Management board Rules of Procedure
- § acts as the second – instance body when two – staged decision making is required, and the Management board acts as the first – instance body
- § carries out other duties in accordance with the law and this Statute.

If deemed proper, the Supervisory board may establish particular expert committees that shall prepare decisions to be rendered by the Supervisory board and control their implementation.

## **Supervisory board method of work**

### **Article 35**

The Supervisory board renders decisions on meetings convened as necessary and in accordance with the law.

In order to hold a meeting the presence of the majority of all members is required.

Each member of the Supervisory board shall have one vote, and decisions are rendered by the majority of the given votes.

In case votes are equally distributed, the decision voted by the President of the Supervisory board shall be deemed rendered.

### **Article 36**

If determined by the President of the Supervisory board, the Supervisory board or its member may vote without holding a meeting by e – mail, letter, telephone, fax or use of other adequate technical possibilities.

In case a member of the Supervisory board is not present at the meeting of the Supervisory board on the day it is held, but participated in the manner defined in the previous paragraph of this article of the Statute, it shall be deemed that such a member was present at the Supervisory board meeting.

If members of the Supervisory board are not able to participate to the meeting in the manner defined by the first paragraph of this article, the absent members may vote in writing or through an appointed attorney.

### **Article 37**

The Supervisory board may render decisions without holding meetings in a circular manner (in writing, by telephone, e – mail or use of other appropriate technical support).

Decisions made in accordance with the previous paragraph are verified on the very next meeting of the Supervisory board.

## **Remuneration and compensation for the work of the members of the Supervisory board**

### **Article 38**

The members of the Supervisory board are entitled to remuneration and compensation for their work in accordance with the decision of the General Assembly, as well as cover of related expenses.

## **3. GENERAL ASSEMBLY**

### **Article 39**

The General Assembly consists of all the Company's shareholders.

The shareholders may attend the General Assembly personally or through an attorney authorised in writing.

## **The competencies of the General Assembly**

### **Article 40**

The General Assembly renders:

- § the Statute and its amendments and supplements,
- § decisions on alteration of the elements of status of the Company,
- § decisions on election and removal of members of the Supervisory board, except if they are appointed into this board,
- § decisions on use of profit,
- § decisions on granting clearance to the members of the Management and Supervisory board
- § decisions on appointment of the Company's auditor
- § decisions on increase and decrease of the Company's share capital
- § decisions on appointment of auditors who shall review the acts carried out during the Company establishment or the acts of business management, as well as the remuneration for the auditors' services
- § decisions on listing of the Company's shares on a regulated market for trade, and on withdrawal of shares from the listing,
- § decisions on termination of the Company.

In addition, the General Assembly renders other decisions as entitled by law or this Statute.

## **Convening of the General Assembly**

### **Article 41**

The General Assembly is convened by the Management board, but may also be convened by the Supervisory board in accordance with the conditions set by the law.

## **General Assembly method of work**

### **Article 42**

One ordinary share gives the right to one vote, while the preferred shares do not give their holders the right to vote at the General Assembly.

The right to participate and exercise their right to vote at the General Assembly belongs to the shareholders that submit their participation entries to the Management board no later than six (6) days prior to the General Assembly, and are registered as shareholders at the central depository on the beginning of the 21<sup>st</sup> day before the day the General Assembly shall be held.

### **Article 43**

The General Assembly may render decisions if shareholders that represent at least 50% + one share with the right to vote are present at the General Assembly.

As a rule, decisions are rendered with the majority of the given votes, except when for certain decisions a special majority is prescribed by law.

The voting at the General Assembly is not confidential, except if otherwise determined by the General Assembly chairman.

#### **Article 44**

The General Assembly is presided over by the person determined for each Assembly by the Company's Supervisory board among its members or other persons.

The General Assembly chairman:

- determines the order and manner of voting on individual proposals, and all other procedural issues that are not regulated by the law, this Statute or the Rules of Procedure of the General Assembly
- communicates and coordinates on behalf of the Assembly with other bodies of the Company and third parties,
- performs all other tasks under his competence pursuant to the law and this Statute.

A minute regarding the work of the General Assembly shall be kept.

#### **Article 45**

Their method of work is regulated in detail by the General Assembly in the Rules of Procedure.

#### **Article 46**

In the event that proper technical conditions are created, in the calling for the General Assembly, the Management board may anticipate the possibility:

- to exercise all or only particular rights, in full or in part, by means of electronic communication when the shareholders are not able to attend personally nor through an attorney where the place the assembly is held
- for the shareholders to vote in writing or by means of electronic communication when they do not take part in the General Assembly
- to enable electronic voting at the General Assembly, by means of adequate technology.

### **PUBLISHING OF THE COMPANY'S COMMUNICATIONS**

#### **Article 47**

In the event that a law or other rule proscribes the duty to publish data and communications, the Company shall publish them in the Official Gazette of the Republic of Croatia "Narodne Novine", and may also be published in daily newspapers pursuant to the Management board's decision.

### **PROFESSIONAL SECRET**

#### **Article 48**

All documents and data regarding the Company's business affairs or the work of employees, the disclosure of which to unauthorised persons would be against the

Company's interests, as well as all other data and documents that have been declared as such by the authorised Company's body, shall be considered a professional secret.

Shareholders, members of the Company's bodies and employees that get knowledge of the content of documents or information that are considered a professional secret of the Company, are obliged to confidentiality. This as well applies to the period after the status, upon which they came to know the trade secret, terminates.

Any violation of the duty to professional secrecy of the Company is a ground for liability for damages incurred by the Company due to disclosure of professional secrets.

#### **Article 49**

The Management board may render a special act determining which information are considered a professional secret in particular, the method of protection of a professional secret and other circumstances significant for protection of professional secrecy in the Company.

### **DURATION AND TERMINATION OF THE COMPANY**

#### **Article 50**

The Company is established for an indefinite period of time.

#### **Article 51**

The Company may terminate in the manner prescribed by the law.

### **TRANSITIONAL AND FINAL PROVISIONS**

#### **Article 52**

This Statute enters into force on the day of its registration recorded in the Court's registry.

By entering into force of this Statute, the former Statute of the Company rendered at the Company's General Assembly on December 22<sup>nd</sup> 1995, together with all its amendments and supplements, as well as implementing regulations based on it, is replaced."

#### **Ad. – 11.**

PricewaterhouseCoopers d.o.o from Zagreb is appointed as the Company's auditor for the business year of 2012

The Management and Supervisory board jointly propose the decisions under 2., 3., 4., 5., 6., 7., 8., 9. and 10., while the decision under number 11. 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 21<sup>st</sup> 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, from the day of convocation of the General Assembly all the relevant materials for its session shall be available on the Company's website [www.lagunaporec.com](http://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 31<sup>st</sup> 2012 at 10,00 o'clock at the same site, with the same agenda, no matter if the quorum is met.

**PLAVA LAGUNA j.s.c. Poreč**

On the basis of Article 275 of the Companies Act and Article 52 of the Statute of PLAVA LAGUNA Joint Stock Company for hotel management and tourism, Poreč the owners of the Company at the General Assembly held on August 30<sup>th</sup> 2012, render the

**D E C I S I O N**  
**on adopting the Management report**  
**on the state and business of the Company in 2011**

**Article 1**

The Management report on the state and business of the Company in 2011 is adopted.

**Article 2**

This decision shall enter into force on the day it is rendered.

Number: GS - 29/2012  
Poreč, August 30<sup>th</sup> 2012

PRESIDENT  
Zoran Posinovec, in his own hand

**R e a s o n s**

In accordance with the provisions of the Companies Act, the Management board has the obligation to inform the General Assembly of the state of the Company, showing the development and business results, the financial state of the Company, description of main risks and uncertainties the Company is exposed to, information about the environment protection and employees, important business events that occurred upon the termination of the business year, the Company's expected future development, activities regarding research and development, information about acquisition of own shares, branches of the Company, information about the use of financial instruments and information that are important to estimate the state of the Company's assets. An integral part of this report is the statement on implementation of the corporate governance code.

For these reasons the mentioned report is submitted and the proposal for rendering the decision as in the proposed text.

THE SUPERVISORY BOARD  
Davor Luksic Lederer, in his own hand

MANAGEMENT BOARD  
Neven Staver, in his own hand

**PLAVA LAGUNA**  
**Joint Stock Company for**  
**Hotel management and Tourism, Poreč**  
**THE SUPERVISORY BOARD**

**Number: NO – 28/2012**  
**Poreč, July 29<sup>th</sup> 2012**

**THE SUPERVISORY BOARD'S REPORT**  
**ON THE PERFORMED SUPERVISION OVER THE MANAGEMENT OF THE**  
**COMPANY'S BUSINESS OPERATIONS, ON THE RESULTS OF THE EXAMINATION**  
**OF THE ANNUAL FINANCIAL REPORTS, REPORT ON THE SITUATION IN THE**  
**COMPANY AND THE DECISION PROPOSAL ON THE USE OF PROFITS OF PLAVA**  
**LAGUNA j.s.c. FOR 2011**

In the course of 2011, the Company's Supervisory Board, held 13 meetings, one of which was a constituent meeting, since the General Assembly held on August 26 2011 increased the number of members of the Supervisory board from 5 to 7, and elected a new president, while the auditing committee established by the Supervisory Board held weekly meetings.

On the basis of Article 300b, paragraph 1 and 2 of the Companies Act, the Management board of the company Plava laguna j.s.c. submitted to the Supervisory Board the annual financial report, report on the state of the Company, as well as the Proposal of the decision on the use of profit for their examination.

In accordance with its authorities in Article 300c, paragraph 2 of the Companies Act , the Supervisory Board, in the presence of the Management Board and the representative of the auditing company PricewaterhouseCoopers d.o.o. Zagreb, has examined the received financial reports for 2011, report on the state of the Company, and the proposal on the decision on use of profit, and on the results of these examinations submits to the Company's General Assembly this report for further procedure.

Examinations carried out undoubtedly indicate that, in the course of 2011, the Company's Management Board in accordance with its lawful obligations, regularly by means of oral and written reports, informed the Supervisory Board of the business policies and other principal issues of the future ways in administering the business operations, on the profitability of the Company's operations, and most of all of the profitability of using its own capital, on the course of transactions, the income and expenditures and the situation in the Company, particularly of the operations which might be of larger importance for profitability of business operations and liquidity, and of other issues which the Supervisory Board held important.

The result of our examination as well as the opinion of the authorised auditor on the reality and objectivity of the data stated in the financial reports for 2011 show that the Company operates in accordance with the laws in force, general Company documents and the decisions of the General Assembly.

Financial reports for 2011, which fall under the responsibility of the Management Board are made in accordance with the provisions of the Accountancy Act and other pertinent laws, and they reflect realistically the situation in the business books and correctly present the property and operational situation in the Company.

We support the Management proposal for the use of profit. We think that it is in accordance with Company's business policy and the adopted guidelines and development plans.

We fully support the auditor's report, which also confirms that the Company's financial reports for 2011 in all aspects present realistically, and objectively the financial situation of the Company.

The Supervisory Board gives its full consent to the presented financial reports for 2011 and to the report on the situation in the Company, as well as their establishing, that is, leaves their adoption to the Company's General Assembly.

THE PRESIDENT

Davor Luksic Lederer, in his own hand

On the basis of Article 275 of the Companies Act and Article 52 of the Statute of PLAVA LAGUNA Joint Stock Company for hotel management and tourism, Poreč the owners of the Company at the General Assembly held on August 30<sup>th</sup> 2012, render the

**D E C I S I O N**

**on adopting the report of the Supervisory Board on on the performed supervision over the management of the company's business operations, on the results of the examination of the annual financial reports, report on the situation in the company and the decision proposal on the use of profits of PLAVA LAGUNA j.s.c. for 2011**

**Article 1**

The report of the Supervisory Board on the performed supervision of the administration of Company operations in 2011, on the results of the examination of the annual financial reports, report on the situation in the Company and the proposal on the decision on use of profit of Plava laguna j.s.c. for 2011 is adopted.

**Article 2**

The Supervisory Board report is attached to this decision and makes its integral part.

**Article 3**

This decision shall enter into force on the day it is rendered.

Number: GS - 29/2012  
Poreč, August 30<sup>th</sup> 2012

PRESIDENT  
Zoran Posinovec, in his own hand

**R e a s o n s**

According to Article 300.b of the Companies Act, the Management Board of a joint stock company has the obligation of submit to the Supervisory Board annual financial reports and the report on the situation in the Company when they are completed without delay. Along with these reports, the Management Board has the obligation to present to the Supervisory Board the Proposal of the decision on the use of profit, which they intend to propose for adoption at the General Assembly.

The Supervisory Board has the obligation to examine the mentioned reports and the proposal on the decision on the use of profit, and inform the General Assembly of the results of this examination (Article 300.c of the Companies Act).

If the Supervisory Board gives its consent to the annual financial reports submitted by the Management board, it is assumed that there annual financial reports are established by both the Management Board and the Supervisory Board, so that there is no need to submit these annual financial reports for establishing at the General Assembly as well (Article 300.d of the Companies Act).

Nevertheless, if deemed necessary, the Supervisory Board and the Management Board may, by a special decision, leave the establishing of the annual financial reports to the General Assembly, what they are in fact hereby doing.

It is proposed to the General Assembly to adopt the report of the Supervisory Board in the proposed text.

**THE SUPERVISORY BOARD**

Davor Luksic Lederer, in his own hand

**MANAGEMENT BOARD**

Neven Staver, in his own hand

Proposal

On the basis of Article 275 of the Companies Act and Article 52 of the Statute of PLAVA LAGUNA Joint Stock Company for hotel management and tourism, Poreč the owners of the Company at the General Assembly held on August 30<sup>th</sup> 2012, render the

**D E C I S I O N**

**on adoption of the auditor's reports on the Company's business conduct in 2011**

**Article 1**

The auditor's report on the Company's business conduct in 2011 is adopted.

**Article 2**

The report is attached to this decision and makes its integral part.

**Article 3**

This decision shall enter into force on the day it is rendered.

Number: GS - 29/2012  
Poreč, August 30<sup>th</sup> 2012

PRESIDENT  
Zoran Posinovec, in his own hand

**R e a s o n s**

The auditing company PricewaterhouseCoopers d.o.o. Zagreb examined the annual financial reports of the Company for the business year 2011, hence their opinion, which the Supervisory Board and the Management Board agree with, is proposed for adoption by the General Assembly.

THE SUPERVISORY BOARD  
Davor Luksic Lederer, in his own hand

MANAGEMENT BOARD  
Neven Staver, in his own hand

Pursuant to Article 403 of the Capital Market Act, and on the basis of Articles 263 and 300.d of the Companies Act and Article 45 of the Statute of PLAVA LAGUNA Joint Stock Company for Hotel management and Tourism Poreč, the Company's Supervisory on April 27<sup>th</sup> 2012 renders the

**D E C I S I O N**  
**on leaving to the General Assembly**  
**the establishing of the annual financial reports**

**Article 1**

The Supervisory Board and the Management Board of the Company give their consent to the Company's annual financial reports for 2011, and leave the establishing and adoption of the mentioned reports for duly procedure before the General Assembly of the Company.

**Article 2**

The Company's annual financial reports for 2011 are attached to this decision and make its integral part.

**Article 3**

This decision shall enter into force on the day it is rendered.

Number: NO – 15/2012  
Poreč, April 27<sup>th</sup> 2012

PRESIDENT  
Davor Luksic Lederer, in his own hand

**R e a s o n s**

The 2003 amendments to the Companies Act created normative preconditions for the consent to be given to the annual financial reports by the Supervisory Board. This implies that then the reports are established by both the Supervisory Board as well as the Management board, and that in such case they are not submitted to the General Assembly for adoption.

However, although the Supervisory Board and the Management Board of the Company express their consent to the presented annual financial reports, the Supervisory Board and the Management Board may decide to leave the establishing of the annual financial reports to the General Assembly given their importance.

In a view of the mentioned circumstances, it is proposed that the discussion of the annual financial reports, and their final establishing and adoption are left to the General Assembly.

THE SUPERVISORY BOARD  
Davor Luksic Lederer, in his own hand

MANAGEMENT BOARD  
Neven Staver, in his own hand



On the basis of Article 275 and 300.e of the Companies Act and Article 52 of the Statute of PLAVA LAGUNA Joint Stock Company for Hotel management and Tourism Poreč, the owners of the Company at the General Assembly held on August 30<sup>th</sup> 2012, render the

**D E C I S I O N**  
on establishing the annual financial report of  
PLAVA LAGUNA j.s.c. for 2011

**Article 1**

The annual financial report of PLAVA LAGUNA j.s.c. for 2011 is established.

**Article 2**

The fundamental financial reports of PLAVA LAGUNA j.s.c., which were confirmed in the auditing procedure by the auditing company PricewaterhouseCoopers Ltd are established, as follows (in 000 kuna):

<b>1. BALANCE SHEET with the sum of the active and passive positions</b>	<b>1.394.185</b>
<b>2. PROFIT AND LOSS ACCOUNT with data</b>	
- Total operational income	442.152
- Total operational expenses	371.405
- Net financial (expenses)/income	9.852
- Income before taxes	80.599
- Income tax	(17.013)
- Net income for a year	63.586
<b>3. REPORT ON THE CHANGES IN THE FINANCIAL POSITION</b>	
<b>4. NOTES TO THE FINANCIAL REPORTS</b>	

**Article 3**

The annual report and fundamental financial reports are attached to this decision and make its integral part.

**Article 4**

This decision shall enter into force on the day it is rendered.

Number: GS - 29/2012  
Poreč, August 30<sup>th</sup> 2012

PRESIDENT  
Zoran Posinovec, in his own hand

## **R e a s o n s**

PLAVA LAGUNA j.s.c. is obliged to present to its owners the annual financial reports in a prescribed period of time and with prescribed contents, which is hereby done.

The annual financial reports confirmed by the auditing company PricewaterhouseCoopers Ltd. Zagreb, as reports that realistically and objectively present the financial situation in the Company, have received positive opinion by the Supervisory and Management Boards.

The Supervisory Board and the Management Board by their decision, in accordance with Article 300.d of the Companies Act, left the final establishing of the annual financial reports to the General Assembly.

It is proposed to the General Assembly to establish the financial reports in the proposed text.

**THE SUPERVISORY BOARD**

Davor Luksic Lederer, in his own hand

**MANAGEMENT BOARD**

Neven Staver, in his own hand

Proposal

On the basis of Article 275 and 300.e of the Companies Act and Article 52 of the Statute of PLAVA LAGUNA Joint Stock Company for Hotel management and Tourism Poreč, the owners of the Company at the General Assembly held on August 30<sup>th</sup> 2012, render the

**D E C I S I O N**

**on adopting the consolidated financial reports of the group PLAVA LAGUNA for 2011**

**Article 1**

The consolidated financial reports of the group PLAVA LAGUNA j.s.c. for 2011, confirmed in the auditing procedure by the company PricewaterhouseCoopers Ltd Zagreb are adopted, being (in 000 kuna):

<b>1. BALANCE SHEET with the sum of the active and passive positions</b>	<b>1.574.499</b>
<b>2. PROFIT AND LOSS ACCOUNT with data</b>	
- Total operational income	519.440
- Total operational expenses	432.546
- Net financial (expenses)/income	6.375
- Income before taxes	93.269
- Minority shares	906
- Income tax	(18.218)
- Net income for a year	74.145
<b>3. REPORT ON THE CHANGES IN THE FINANCIAL POSITION</b>	
<b>4. NOTES TO THE FINANCIAL REPORTS</b>	

**Article 2**

The consolidated financial reports are attached to this decision and make its integral part.

**Article 3**

This decision shall enter into force on the day it is rendered.

Number: GS - 29/2012  
Poreč, August 30<sup>th</sup> 2012

PRESIDENT  
Zoran Posinovec, in his own hand

## **R e a s o n s**

According to Article 24 of the Accountancy Act, the consolidation of financial reports has to be made by companies which are heads in relation to the company they control, so that the consolidated financial reports are presented as the report of a single unit.

The consolidation of financial reports is carried out for the purpose of establishing the financial position, results of business operations and changes in the financial position of PLAVA LAGUNA j.s.c., LAGUNA INVEST Ltd and HOTELI CROATIA j.s.c. as one economic unit, i.e. one Company.

Like all other reports, the consolidated financial reports were confirmed by the auditing company PricewaterhouseCoopers Ltd Zagreb, and a positive opinion on them was also given by the Supervisory and Management Board.

The Supervisory Board and the Management Board as joint proponents propose to the General Assembly to establish the consolidated financial report of the group PLAVA LAGUNA j.s.c. for 2011 in the proposed text.

**THE SUPERVISORY BOARD**  
Davor Luksic Lederer, in his own hand

**MANAGEMENT BOARD**  
Neven Staver, in his own hand

On the basis of Article 403 of the Capital Market Act and on the basis of articles 263 and 300 c. of the Companies Act and Article 52 of the Statute of PLAVA LAGUNA Joint Stock Company for Hotel management and Tourism Poreč, the owners of the Company at the General Assembly held on August 30<sup>th</sup> 2012, render the

**D E C I S I O N**  
**on the use of profit realised in the business year of 2011**

**Article 1**

In 2011 PLAVA LAGUNA j.s.c. gained profit in the amount of 63.585.606,49 kuna.

**Article 2**

The Company's income referred to in Article 1 of this decision shall be allocated as follows:

- the amount of 1.529.301,83 kuna for statutory reservations,
- The amount of 3.682.673,54 kuna for payment of the ordinary dividend to the Company shareholders,
- The amount of 58.373.631,12 kuna for retained income.

Use of revalorization reserves

- The total amount of 105.000,00 kuna for the preferred fixed dividend in the amount of 1,00 kuna per preferred share,
- The amount of 54.764.005,35 kuna for payment of the ordinary dividend to the Company shareholders.

On the basis of above mentioned criteria, the dividend shall amount to 91,06 kuna per an ordinary share, and 72,06 kuna per a preferred share,

The Company will in correspondence of the dividend paid from the 2011. income, account and pay the withholding tax for each shareholder according to the

**Article 3**

The right to payment of the dividend belongs to shareholders registered in the Depository of the Central Depository and Clearing Company thirty (30) days prior to rendering the decision on the payment of dividend by the General Assembly

**Article 4**

This decision shall enter into force on the day it is rendered.

## **R e a s o n s**

The proposed way of using the profit is in accordance with the Company's business policy pursuant to which the dividend policy has been determined.

**THE SUPERVISORY BOARD**

Davor Luksic Lederer, in his own hand

**MANAGEMENT BOARD**

Neven Staver, in his own hand

On the basis of Article 275 of the Companies Act and Article 52 of the Statute of PLAVA LAGUNA Joint Stock Company for Hotel management and Tourism Poreč, the owners of the Company at the General Assembly held on August 30<sup>th</sup> 2012, render the

**D E C I S I O N**  
**on the establishing the compensation to the Supervisory Board and Management for the results achieved in the business year of 2011**

**Article 1**

In 2011 PLAVA LAGUNA j.s.c. gained the profit after taxation in the amount of 63.585.606,49 kuna.

**Article 2**

The Supervisory Board and Management realises the right to payment for the achieved results in the total amount of 4.259.000,00 kuna.

The amount referred to in the previous paragraph shall be imputed to the business operations in 2012.

**Article 3**

The decision on the division of the amount referred to in the previous Article shall be rendered by the Supervisory Board itself.

**Article 4**

This decision shall enter into force on the day it is rendered.

Number: GS - 29/2012  
Poreč, August 30<sup>th</sup> 2012

PRESIDENT  
Zoran Posinovec, in his own hand

**R e a s o n s**

The Supervisory Board and Management hereby exercise its right, pursuant to the provisions of the Companies Act, to a compensation for the successful running of the Company.

It is hereby proposed that the Supervisory Board and Management are paid a compensation for their contribution to the results achieved by the Company's business operations in the business year 2011. The proposed amount of compensation is appropriate for the situation in the Company.

THE SUPERVISORY BOARD  
Davor Luksic Lederer, in his own hand

MANAGEMENT BOARD  
Neven Staver, in his own hand

## Proposal

On the basis of Article 275 of the Companies Act and Article 52 of the Statute of PLAVA LAGUNA Joint Stock Company for Hotel management and Tourism Poreč, the owners of the Company at the General Assembly held on August 30<sup>th</sup> 2012, render the

### **DECISION** on granting clearance to the Company's Management Board

#### **Article 1**

Neven Staver, the member of the Management Board, is granted clearance for the business year 2011.

#### **Article 2**

This decision shall enter into force on the day it is rendered.

Number: GS - 29/2012  
Poreč, August 30<sup>th</sup> 2012

**PRESIDENT**  
Zoran Posinovec, in his own hand

### **R e a s o n s**

By this decision, the work of the Management Board in the past year is approved, and also, it is entrusted for the future work in administering the Company.

It is proposed to the General Assembly to render this decision in the proposed text.

**THE SUPERVISORY BOARD**  
Davor Luksic Lederer, in his own hand

**MANAGEMENT BOARD**  
Neven Staver, in his own hand



Proposal

On the basis of Article 275 of the Companies Act and Article 52 of the Statute of PLAVA LAGUNA Joint Stock Company for Hotel management and Tourism Poreč, the owners of the Company at the General Assembly held on August 30<sup>th</sup> 2012, render the

**D E C I S I O N**  
**on granting clearance to the members**  
**of the Company's Supervisory Board**

**Article 1**

The members of the Supervisory Board of PLAVA LAGUNA j.s.c. are granted clearance for the business year 2011.

**Article 2**

This decision shall enter into force on the day it is rendered.

Number: GS - 29/2012  
Poreč, August 30<sup>th</sup> 2012

PRESIDENT  
Zoran Posinovec, in his own hand

**R e a s o n s**

By this decision the positive assessment concerning the work of the Supervisory Board in the past year is expressed.

It is proposed to the General Assembly to render this decision in the proposed text.

THE SUPERVISORY BOARD  
Davor Luksic Lederer, in his own hand

MANAGEMENT BOARD  
Neven Staver, in his own hand

On the basis of Articles 275 and 301 of the Companies Act and Article 52 of the Statute of PLAVA LAGUNA Joint Stock Company for Hotel management and Tourism Poreč, the owners of the Company at the General Assembly held on August 30<sup>th</sup> 2012, render the

**D E C I S I O N**  
**on adopting the Statute of**  
**PLAVA LAGUNA j.s.c.**

**Article 1**

The text of the Statute of the Company PLAVA LAGUNA j.s.c. Poreč of December 22<sup>nd</sup> 1995, together with all its amendments is replaced by the Statute in the following text:

“On the basis of Article 301 paragraph 1 of the Companies Act (Official gazette no. 111/93, 34/99, 118/03 and 107/07, 146/08, 137/09) the Shareholders’ Assembly of PLAVA LAGUNA joint stock company Poreč, recorded at the Court’s registry of the Commercial court in Rijeka – permanent offices in Pazin, under the registration number (MBS): 040020834, (hereinafter referred to as: the Company), on August 30<sup>th</sup> 2012, renders the following:

**STATUTE**  
**OF PLAVA LAGUNA, JOINT STOCK COMPANY, POREČ**

**PREAMBLE**

**Article 1**

PLAVA LAGUNA joint stock company for hotel management and tourism (hereinafter referred to as: the Company), was established through the transformation of the social enterprise “Plava laguna – Laguna Poreč” into a joint stock company pursuant to the Decision on Transformation of February 24<sup>th</sup> 1992, and the Decree of the Croatian Privatization Fund number: 306-02/92-03/196 of September 3<sup>rd</sup> 1992 by which the proposed manner of transformation was approved. Based on the aforementioned decisions the Company registered at the Commercial Court in Rijeka, number: FI-1103/92 of January 26<sup>th</sup> 1993.

**GENERAL PROVISIONS**

**Article 2**

This Statute determines the basic rules of the legal status and organisation of the Company as well as the rules on mutual relations between the shareholders and the Company.

**Article 3**

The purpose of the Company is the conduct of economic activities in order to gain profit.

## **THE ELEMENTS OF STATUS**

### **1. THE COMPANY NAME**

#### **Article 4**

The Company name is: PLAVA LAGUNA joint stock company for hotel management and tourism.

The abridged Company name is: PLAVA LAGUNA j.s.c.

The Decision on alteration of the Company name shall be rendered by the Company's Management board, with the consent of the Company's Supervisory board.

### **2. BRANCH OFFICES**

#### **Article 5**

The Company may establish branch offices beyond its seat with decisions rendered by the Company's Management board with the Company's Supervisory board approval.

### **3. THE COMPANY'S SEAT**

#### **Article 6**

The Company's seat is in Poreč.

The Company's business address within its seat shall be determined by the Company's Management board through a special decision.

The decision on the alteration of the Company's seat shall be rendered by the Company's Management board with the consent of the Company's Supervisory board.

### **4. SEAL**

#### **Article 7**

For its business conduct the Company uses a seal that contains the name and seat of the Company.

The shape, size and manner of use of the seal are determined by a special decision rendered by the Company's Management board.

### **5. SCOPE OF ACTIVITIES**

#### **Article 8**

The Company shall conduct the following activities:

- 45.3 Installation works
- 45.4 Finishing construction works

- 51 Wholesale and agency in trade, except trade of motor vehicles and motorcycles
- 52.1 Retail in unspecialised shops
- 60.21.2 Transport of passengers in urban and suburban traffic
- 60.23 Other road transport of passengers
- 63.30 Travel agencies and tour operator activities
- 64.12 Courier services
- 74.4 Promotion (advertising and propaganda)
  - \* hotel and restaurant management: preparation of food and providing nutrition services, preparation and serving of beverages and drinks, and providing accommodation services
  - \* organisation of particular games of chance
  - \* vessel rental and providing holiday, sports and recreation services on vessels
  - \* rental of objects and equipment for sports and recreation
  - \* rental of temporary moorings for sports vessels
  - \* developing, organising and conducting sports and recreation activities, instructions and competitions at sea, on land and in the air
  - \* activities regarding development and organisation of special forms of tourism (health, congress, hunting)
  - \* rental and storage of camping trailers, vessel trailers and other sports equipment
  - \* exchange transactions
  - \* engineering, project management and technical activities
  - \* geodetic surveying
  - \* copying, photocopying, duplicating and similar services
  - \* representation of foreign companies
  - \* international freight forwarding
  - \* sales of foreign and domestic goods from duty free stores
  - \* international transport of goods and passengers
  - \* construction, planning and construction survey
- 55 Hotels and restaurants
- 61 Waterway transportation
- 70 Real estate transactions
- 92 Recreation, cultural and sports activities
  - \* purchase and sale of goods and performing commercial agency in domestic and international market
  - \* roadway transportation of passengers and cargo for own needs
  - \* accounting activities
  - \* providing services in nautical, rural, therapeutic, congress, sports, hunting and other types of tourism, providing other tourist services

In addition to the activities listed in paragraph 1 of this article, the Company may also perform other activities that serve the performance of the activities recorded in the court's registry, if performed to a lesser extent or if usually performed with the recorded activity.

## **6. THE SHARE CAPITAL**

### **Article 9**

The Company's share capital amounts to 1.088.372.400,00 kuna.

### **Increase of the share capital**

### **Article 10**

The share capital may be increased by means of payment of the shares in moneys, assets or rights accompanied by issuance of new shares.

The share capital may be increased from the Company's funds, by means of transformation of the capital gain, retained profit and reserves into the Company's capital.

The decision on increase or decrease of the share capital is rendered by the Company's General Assembly with the shareholders' votes that represent at least  $\frac{3}{4}$  of the share capital present at the General Assembly.

### **Conditional increase of the share capital**

#### **Article 11**

The Company's General Assembly may decide upon the increase of the share capital of the Company that shall be carried out only to the extent required to effectuate the right to acquire shares as prescribed by the law. This decision may be rendered only by the shareholders' votes that represent  $\frac{3}{4}$  of the share capital present at the General Assembly at the time of decision – making as prescribed by the law.

### **Approved share capital**

#### **Article 12**

The Company's Management board, with the consent of the Company's Supervisory board, may increase the Company's share capital within 5 years from the day this article is first registered in the court's registry.

The nominal value of increase of the share capital pursuant to paragraph 1 of this article cannot exceed one half of the nominal value of the Company's share capital recorded in the court's registry at the moment of registration of this article of the Statute in the court's registry.

With the decision on increase of the share capital, the Management board with the consent of the Supervisory board may exclude the right of priority for inscription of new shares.

In the occasion of increase of the share capital pursuant to this article, the shares may be issued on the grounds of payment of the share, as well as for shares given in assets and rights.

### **Decrease of the share capital**

#### **Article 13**

In accordance with the conditions and in the manner prescribed by the law, the General Assembly may decrease the Company's share capital in order to cover losses, transfer funds into the capital reserves or by withdrawal of shares.

### **Merger, acquisition and division the Company**

#### **Article 14**

The merger, acquisition and division of the Company are performed in accordance with the Law.

## **7. SHARES**

### **Article 15**

The Company's shares are issued as registered – name shares, in a dematerialised form, and are transferable without restrictions in accordance with the valid laws.

The Company's share capital is divided into ordinary and preferred shares.

### **Article 16**

The Company issues ordinary registered – name shares, which provide their holders equal rights and ensure them equal status.

In addition to ordinary shares, the Company may issue preferred shares.

Holders of the preferred shares have rights in accordance with the law and this Statute, especially:

- § the right to a fixed dividend,
- § the right of priority in respect to payment of dividend,
- § the right of priority of settlement in the process of liquidation or bankruptcy of the Company.

Preferred shares shall not provide the their holder the right to vote at the Company's General Assembly.

### **Ordinary shares**

### **Article 17**

Shares issued pursuant the Decision on transformation of „Plava laguna – Laguna Poreč“ enterprise for hotel management and tourism, Poreč into a joint stock company are ordinary, "A" series, registered – name shares, and are considered to be founding shares.

The Company issued 546.318 ordinary shares of the A series, each of 1.800,00 kuna of nominal value.

Any latter series of shares is marked with the subsequent letter of the alphabet.

### **Article 18**

Ordinary shares provide its holder the following rights:

- § the right to vote at the Company's General Assembly,
- § the right to receive payment of a part of the Company's profit (dividend)
- § the right to receive payment of a part of the Company's liquidation, that is, bankruptcy estate reminder.

One ordinary share gives the right to one vote at the Company's General Assembly.

### **Preferred shares**

### **Article 19**

The Company issued 105.000 preferred shares of the B series, each of 1.000,00 kuna of nominal value.

The preferred shares provide its holder the following rights:

- § the right to a fixed dividend,
- § the right of priority in respect to payment of dividend,
- § the right of priority of settlement in the process of liquidation or bankruptcy of the Company.

The preferred shares do not give its holder the right to vote at the Company's General Assembly.

## **8. USE AND ALLOCATION OF PROFIT**

### **Article 20**

The business year is the calendar year.

The Company's profit is determined for each business year in the manner prescribed by the law.

The Management board is obliged to allocate the net profit gained in the past business year in the following order:

1. cover of losses transferred from past years,
2. shift into legal reserves
3. shift into reserves for own shares
4. dividend payout
5. payout of the portion belonging to the Management board pursuant to their partaking in the profit
6. other reserves.

### **Article 21**

The shareholders' participation in the profit (the dividend) is determined through the percentage of the paid amount of shares in respect to the share capital.

The General Assembly may determine the shareholders' participation in the Company's profit in an absolute amount.

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

### **Article 22**

Upon the termination of a business year, the Management board may pay the shareholders and advance of the dividend from the foreseeable part of the net profit.

The Management board is entitled to pay the advance only when the provisional profit and loss account made for the preceding year shows gained profit. The advance may amount up to one half of the profit, reduced by the amounts that must be shifted into the Company's reserves pursuant to the law and Statute. Furthermore, the advance payment may not exceed one half of the profit gained in the preceding year.

In order to make the advance payment the Supervisory board's consent must be obtained.

## **THE BODIES OF THE COMPANY**

### **Article 23**

The bodies of the Company are:

- § the Management board
- § the Supervisory board
- § the General Assembly.

### **1. THE MANAGEMENT BOARD**

#### **The composition of the Management board**

### **Article 24**

The Management board shall consist of no more than five members (directors). The number of members of the Management board is determined by the decision of appointment rendered by the Supervisory board.

When more members compose the Management board, one among them must be appointed as the Management board President.

A member of the Management board may only be a person of full business capacity and for whom there are no legal impediments to become a management board member.

#### **Management of the Company's business affairs**

### **Article 25**

The Management board manages the Company's affairs at its own responsibility, where it is obliged and entitled to undertake all activities and render all decisions that are deemed necessary for the successful conduct of the Company's business affairs.

The management of the Company's business affairs encompasses establishing and conducting the Company's business policy, establishing the Company's organisation, management of the Company's operative businesses, bookkeeping and reporting to other bodies of the Company, as well as rendering required acts within the above said tasks.

When the Management board consists of more persons, the members are entitled to conduct business affairs jointly and render decisions with the majority of votes, except in case a decision of the Supervisory board or the Management board's Rules of Procedures define their right to conduct business affairs of a specific field in a different manner.

In case during decision making the votes are equally divided, the vote of the President of the Management board shall prevail.

### **Article 26**

The Management board is obliged to provide the prior approval of the Supervisory board to render the following decisions and acts of the Company:

- establishing of companies in the country and abroad,
- sale of stocks, that is, shares the Company has in other companies,
- purchase of stocks, that is, business shares in other companies,



- sale of immoveable property exceeding 1% of the total value of the share capital,
- purchase and encumbrance of immovable property exceeding 1% of the total value of the share capital,
- taking on a guarantee for the amount exceeding 2% of the total value of the share capital,
- taking a loan and issuing securities exceeding 2% of the total value of the share capital.

Other than the restrictions enumerated in the previous paragraph, the Supervisory board may determine other decisions or acts the Management board is allowed to render only with the consent of the Supervisory board, by means of the Management board Rules of Procedure or a particular decision.

## **Representation of the Company**

### **Article 27**

The Management board represents the Company by undertaking all legal acts of representation in business affairs, before the court and other authorities.

In case the Management board consists of more members and the President of the Management board, the Management board represents the Company in an unrestricted manner and jointly, namely, the President of the Management board together with one member of the Management board, except if a decision of the Supervisory board or the Management board Rules of Procedure determine a different right to act for and on behalf of and represent the Company.

In case the Management board only consists of one member – director, he represents the Company independently and individually in accordance with the provisions of this Statute, the Management board Rules of Procedure and decisions rendered by the Supervisory board.

When the only member of the Management board is prevented from performance of his/her duties, the Company shall be represented by the person authorised by him/her with the approval of the Supervisory Board or by the Supervisory board itself.

## **Power of attorney and procuracy**

### **Article 28**

The Management board may provide a person with a written power of attorney to conclude certain types of contracts and undertake other legal acts or to conclude individually defined contracts and to undertake individually defined acts in accordance with the given authorization of representation.

The procuracy is given by the Supervisory board upon proposal of the Management board.

## **Appointment and removal of members of the Management board**

### **Article 29**

The Supervisory board appoints and removes the members and the President of the Management board, and determines the number of its members.

The mandate of the Management board members may last up to five years in accordance with the decision rendered by the Supervisory board, and one can be reappointed.

In case a member or the President of the Management board cease to perform their duties prior to the expiration of their mandate, the Supervisory board shall appoint a new member of the Management board, whose mandate shall last until the expiration of the term of the member of the Management board whose mandate ceased.

### **Contract on rights and obligations**

#### **Article 30**

The President of the Supervisory board on behalf of the Company concludes a contract with the members of the Management board governing their rights and obligations regarding the performance of their function as Management board members.

The contracts referred to in the previous paragraph are concluded for the period that corresponds to the period of appointment as the Management board member.

### **The resignation of a Management board member**

#### **Article 31**

The member or President of the Management board may resign in accordance with the law.

## **2. THE SUPERVISORY BOARD**

### **The composition of the Supervisory board**

#### **Article 32**

The Company's Supervisory board is composed by no more than seven members, and no less than three. The number of members of the Supervisory board is determined by the General Assembly's decision of election.

The mandate of the members of the Supervisory board lasts four years and they may be re-elected or reappointed.

A shorter mandate may be determined in the decision of election.

Any natural person of full business capacity, for whom there are no legally prescribed impediments for membership, and whose knowledge, experience, working and moral characteristics guarantee his/her membership duties shall be performed properly, may become a member of the Supervisory board.

The members of the Supervisory board shall elect a President and his/her deputy among themselves.

The deputy substitutes the President in case of absence of the latter, and has the authority of the President only when he is prevented from performing his/her function.

### **Election, appointment and removal of members of the Supervisory board**

#### **Article 33**

The members of the Supervisory board are elected by the Company's General Assembly with the majority of the given votes. The members of the Supervisory board are elected based on a list, not individually.

When so prescribed by a particular regulation, the employees have the right to appoint one member of the Supervisory board among them through the Employees Council.

In the event of an early termination of mandate of an individual member of the Supervisory board, a new member, whose mandate shall last until the expiration of the revoked member's mandate, shall be elected.

The General Assembly may remove a member of the Supervisory board before the termination of the mandate one was elected for.

### **The competencies of the Supervisory board**

#### **Article 34**

The Supervisory board shall perform the following tasks:

- § supervises the Company's business management
- § appoints and removes the members and President of the Management board
- § renders the Rules of Procedure of the Management board and the Supervisory board if needed
- § presents the General Assembly with a written report on the supervision of the Company's business affairs
- § convenes the General Assembly if necessary,
- § represents the Company in relations with the Management board
- § grants consent to the decisions rendered by the Company's Management board when so prescribed by law, this Statute or the Management board Rules of Procedure
- § acts as the second – instance body when two – staged decision making is required, and the Management board acts as the first – instance body
- § carries out other duties in accordance with the law and this Statute.

If deemed proper, the Supervisory board may establish particular expert committees that shall prepare decisions to be rendered by the Supervisory board and control their implementation.

### **Supervisory board method of work**

#### **Article 35**

The Supervisory board renders decisions on meetings convened as necessary and in accordance with the law.

In order to hold a meeting the presence of the majority of all members is required.

Each member of the Supervisory board shall have one vote, and decisions are rendered by the majority of the given votes.

In case votes are equally distributed, the decision voted by the President of the Supervisory board shall be deemed rendered.

#### **Article 36**

If determined by the President of the Supervisory board, the Supervisory board or its member may vote without holding a meeting by e – mail, letter, telephone, fax or use of other adequate technical possibilities.

In case a member of the Supervisory board is not present at the meeting of the Supervisory board on the day it is held, but participated in the manner defined in the previous paragraph of this article of the Statute, it shall be deemed that such a member was present at the Supervisory board meeting.

If members of the Supervisory board are not able to participate to the meeting in the manner defined by the first paragraph of this article, the absent members may vote in writing or through an appointed attorney.

#### **Article 37**

The Supervisory board may render decisions without holding meetings in a circular manner (in writing, by telephone, e – mail or use of other appropriate technical support).

Decisions made in accordance with the previous paragraph are verified on the very next meeting of the Supervisory board.

#### **Remuneration and compensation for the work of the members of the Supervisory board**

#### **Article 38**

The members of the Supervisory board are entitled to remuneration and compensation for their work in accordance with the decision of the General Assembly, as well as cover of related expenses.

### **3. GENERAL ASSEMBLY**

#### **Article 39**

The General Assembly consists of all the Company's shareholders.

The shareholders may attend the General Assembly personally or through an attorney authorised in writing.

#### **The competencies of the General Assembly**

#### **Article 40**

The General Assembly renders:

- § the Statute and its amendments and supplements,
- § decisions on alteration of the elements of status of the Company,
- § decisions on election and removal of members of the Supervisory board, except if they are appointed into this board,
- § decisions on use of profit,
- § decisions on granting clearance to the members of the Management and Supervisory board
- § decisions on appointment of the Company's auditor
- § decisions on increase and decrease of the Company's share capital

- § decisions on appointment of auditors who shall review the acts carried out during the Company establishment or the acts of business management, as well as the remuneration for the auditors' services
- § decisions on listing of the Company's shares on a regulated market for trade, and on withdrawal of shares from the listing,
- § decisions on termination of the Company.

In addition, the General Assembly renders other decisions as entitled by law or this Statute.

## **Convening of the General Assembly**

### **Article 41**

The General Assembly is convened by the Management board, but may also be convened by the Supervisory board in accordance with the conditions set by the law.

## **General Assembly method of work**

### **Article 42**

One ordinary share gives the right to one vote, while the preferred shares do not give their holders the right to vote at the General Assembly.

The right to participate and exercise their right to vote at the General Assembly belongs to the shareholders that submit their participation entries to the Management board no later than six (6) days prior to the General Assembly, and are registered as shareholders at the central depository on the beginning of the 21<sup>st</sup> day before the day the General Assembly shall be held.

### **Article 43**

The General Assembly may render decisions if shareholders that represent at least 50% + one share with the right to vote are present at the General Assembly.

As a rule, decisions are rendered with the majority of the given votes, except when for certain decisions a special majority is prescribed by law.

The voting at the General Assembly is not confidential, except if otherwise determined by the General Assembly chairman.

### **Article 44**

The General Assembly is presided over by the person determined for each Assembly by the Company's Supervisory board among its members or other persons.

The General Assembly chairman:

- determines the order and manner of voting on individual proposals, and all other procedural issues that are not regulated by the law, this Statute or the Rules of Procedure of the General Assembly
- communicates and coordinates on behalf of the Assembly with other bodies of the Company and third parties,
- performs all other tasks under his competence pursuant to the law and this Statute.

A minute regarding the work of the General Assembly shall be kept.

#### **Article 45**

Their method of work is regulated in detail by the General Assembly in the Rules of Procedure.

#### **Article 46**

In the event that proper technical conditions are created, in the calling for the General Assembly, the Management board may anticipate the possibility:

- to exercise all or only particular rights, in full or in part, by means of electronic communication when the shareholders are not able to attend personally nor through an attorney where the place the assembly is held
- for the shareholders to vote in writing or by means of electronic communication when they do not take part in the General Assembly
- to enable electronic voting at the General Assembly, by means of adequate technology.

### **PUBLISHING OF THE COMPANY'S COMMUNICATIONS**

#### **Article 47**

In the event that a law or other rule proscribes the duty to publish data and communications, the Company shall publish them in the Official Gazette of the Republic of Croatia "Narodne Novine", and may also be published in daily newspapers pursuant to the Management board's decision.

### **PROFESSIONAL SECRET**

#### **Article 48**

All documents and data regarding the Company's business affairs or the work of employees, the disclosure of which to unauthorised persons would be against the Company's interests, as well as all other data and documents that have been declared as such by the authorised Company's body, shall be considered a professional secret.

Shareholders, members of the Company's bodies and employees that get knowledge of the content of documents or information that are considered a professional secret of the Company, are obliged to confidentiality. This as well applies to the period after the status, upon which they came to know the trade secret, terminates.

Any violation of the duty to professional secrecy of the Company is a ground for liability for damages incurred by the Company due to disclosure of professional secrets.

#### **Article 49**

The Management board may render a special act determining which information are considered a professional secret in particular, the method of protection of a professional secret and other circumstances significant for protection of professional secrecy in the Company.

## **DURATION AND TERMINATION OF THE COMPANY**

### **Article 50**

The Company is established for an indefinite period of time.

### **Article 51**

The Company may terminate in the manner prescribed by the law.

## **TRANSITIONAL AND FINAL PROVISIONS**

### **Article 52**

This Statute enters into force on the day of its registration recorded in the Court's registry.

By entering into force of this Statute, the former Statute of the Company rendered at the Company's General Assembly on December 22<sup>nd</sup> 1995, together with all its amendments and supplements, as well as implementing regulations based on it, is replaced."

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### **Article 2**

This decision shall enter into force on the day it is rendered, while the new Statute is applicable from the day it is registered in the Court's registry.

Number: GS - 29/2012  
Poreč, August 30<sup>th</sup> 2012

**PRESIDENT**  
Zoran Posinovec, in his own hand

### **R e a s o n s**

The replacement of the existing wording of the Company's Statute in the above said manner is in accordance with the provisions of the Company's Act and the Capital Market Act, as well as cleansed and modernised.

It is proposed that the Statute is adopted in the proposed text.

**THE SUPERVISORY BOARD**  
Davor Luksic Lederer, in his own hand

**MANAGEMENT BOARD**  
Neven Staver, in his own hand

Proposal

On the basis of Article 275 of the Companies Act and Article 52 of the Statute of PLAVA LAGUNA Joint Stock Company for Hotel management and Tourism Poreč, the owners of the Company at the General Assembly held on August 30<sup>th</sup> 2012, render the

**D E C I S I O N**  
**on appointment of the auditor of PLAVA LAGUNA j.s.c. for 2012**

**Article 1**

PricewaterhouseCoopers d.o.o. Zagreb is appointed as the Company's auditor for 2012.

**Article 2**

This decision shall enter into force on the day it is rendered.

Number: GS - 29/2012  
Poreč, August 30<sup>th</sup> 2012

**PRESIDENT**  
Zoran Posinovec, in his own hand

**R e a s o n s**

Following positive experience the Company had with the auditors PricewaterhouseCoopers d.o.o. Zagreb in relation to auditing operations, it is proposed that the same company is appointed as the Company's auditor for 2012.

**THE SUPERVISORY BOARD**  
Davor Luksic Lederer, in his own hand