

According to Article 277 of the Companies' Act ("Official Gazette" Number 152/11-consolidated text, 111/12, 68/13 and 110/15) and Article 7 of the Articles of Association of ILIRIJA d.d., Biograd na moru (hereinafter referred to as: Company), the Management Board has convened

**EXTRAORDINARY GENERAL MEETING
OF THE JOINT STOCK COMPANY ILIRIJA d.d. BIOGRAD NA MORU
on 20th November 2017 commencing at 9.00 hours
in the registered office of the Company, Biograd na moru Tina Ujevića 7,**

The following agenda has been determined for the General Meeting

AGENDA

- 1. Opening of the General Meeting, determining the number of shareholders present or their proxies and the establishment of the quorum;*
- 2. Decision on the election of the Supervisory Board's members;*
- 3. Making Decision on a change to the core business activities – added activities;*
- 4. Decision 1 on changes and amendments to the Articles of Association of the Company*
- 5. Decision on an increase in share capital from the Company's funds*
- 6. Decision 2 on changes and amendments to the Articles of Association of the Company;*
- 7. Decision on division of the Company's shares;*
- 8. Decision 3 on changes and amendments to the Articles of Association of the Company;*

DRAFT DECISIONS

Proposals by the Management Board and Supervisory Board of the Company to the General Meeting in Agenda items under numbers 3-8 and by the Supervisory Board in Agenda item 2:

Ad 2. Decision on the election of the Supervisory Board's members

DECISION
ON ELECTION OF THE SUPERVISORY BOARD MEMBERS

Article 1

It is determined that out of total five members of the Company's Supervisory Board, the term of office of four members of the Supervisory Board will expire on 17th December 2017. In addition to the existing member of the Supervisory Board, Mr. Goran Medić, the four existing members of the Supervisory Board of the Company shall be elected for the next term of office period which for the re-elected four members of the Supervisory Board commences on 18th December 2017, namely for the following persons:

1. DAVOR TUDOROVIĆ, entrepreneur, Nevidane 33, 23264 Nevidane, Tax No. OIB:57784779717,
2. DAVID ANTHONY TUDOROVIĆ, Master of Econ. and Business, Tina Ujevića 4, 23210 Biograd na Moru, Tax No. OIB: 89309724440,
3. DARKO PREBEŽAC, Prof. PhD, Full Time Professor holding a permanent title at the Faculty of Economics and Business of the Zagreb University, Rokov perivoj 1, 10 000 Zagreb, Tax No. OIB: 43070941768,
4. SINIŠA PETROVIĆ, Prof. PhD, Full Time Professor at the Faculty of Law of the Zagreb University in Zagrebu, Zvonarnička 5 A, 10 000 Zagreb, Tax No. OIB: 69590126082,

Article 2

The term of office of the Supervisory Board of the Company indicated in Article 1. of this Decision lasts for 4 (four) years, with a possibility of re-election.

Article 3

The monthly remuneration for the work of the member of the Supervisory Board of Ilirija d.d., Mr. Siniša Petrović is determined in the amount of HRK 6,500.00 net.

The monthly remuneration for the work of the member of the Supervisory Board of Ilirija d.d., Mr. Darko Prebežac is determined in the amount of HRK 6,500.00 net.

The monthly remuneration for the work of other members of the Supervisory Board of Ilirija d.d., is determined in the amount of HRK 4,000.00 net.

Article 4

The issues not regulated by this Decision shall be appropriately subject to the provisions of the applicable laws and the Articles of Association of the Company.

Article 5

This Decision comes into force on the date of taking it.

Article 6

The Management Board of the Company is obligated to take all actions to have this Decision registered with the court registry of the Commercial Court in Zadar.

Ad. 3. Making Decision on a change to the core business activities – added activities;

According to Article 275, paragraph 1 of the Companies' Act (Official Gazette No. 152/11 – consolidated text, 111/12, 68/13 and 110/15, hereinafter referred to as Companies' Act „ZTD“), the General Assembly of the company ILIRIJA joint stock company for hospitality and tourism with registered office in Biograd na Moru, Tina Ujevića 7, entered in the court registry of the Commercial Court in Zadar under the number (Company Reg. No. MBS): 060032302, Company Tax No. OIB: 05951496767 (hereinafter referred to as „Company“), has at its session held in the registered office of the Company, on 20th November 2017 passed the following

Decision on a change to the core business activities – added activities;

1. The core business activities are changed in a way that the following activities are added:

- * Audiovisual activities;
- * Complementary activities to audio-visual activities;
- * Activity of providing audio and/or audiovisual media services;
- * Activity of providing services of electronic publications;
- * Activity of publishing audiovisual and radio programs
- * Activity of providing television and/or radio media services

2. The Management Board of the Company is obligated to take all actions to have this Decision registered with the court registry of the Commercial Court in Zadar.

Ad. 4. Decision 1 on changes and amendments to the Articles of Association of the Company;

According to Article 275, paragraph 1, section 5 and Article 301, paragraph 1 of the Companies' Act (Official Gazette No. 152/11 – consolidated text, 111/12, 68/13 and 110/15, hereinafter referred to as Companies' Act „ZTD“), the General Assembly of the company ILIRIJA joint stock company for hospitality and tourism with registered office in Biograd na Moru, Tina Ujevića 7, entered in the court registry of the Commercial Court in Zadar under the number (Company Reg. No. MBS): 060032302, Company Tax No. OIB: 05951496767 (hereinafter referred to as „Company“), has at its session held in the registered office of the Company, on 20th November 2017 passed the following

Decision 1 on changes and amendments to the Articles of Association of the Company;

1. In Article 3 of the Articles of Association of 26th April 2017 (hereinafter referred to as: Company's Articles of Association), the new lines are added, that constitute the core business activities, in the way as follows:

- * *Audiovisual activities;*
- * *Complementary activities to audio-visual activities;*
- * *Activity of providing audio and/or audiovisual media services;*
- * *Activity of providing services of electronic publications;*
- * *Activity of publishing audiovisual and radio programs*
- * *Activity of providing television and/or radio media services*

2. Paragraph 2 of Article 4 of the Company's Articles of Association of 26th April 2017 has been changed and it reads:

“Share capital of the Company is divided into 301,686 (three hundred one thousand six hundred eighty-six) bearer ordinary shares without nominal amount.”

3. All remaining provisions of the Company's Articles of Association shall remain unchanged.
4. These changes to the Company's Articles of Association come into force and are applied as of the date of registration thereof with the court registry.
5. The Supervisory Bord is authorized to determine the full wording of the Articles of Association.

Ad. 5. Decision on an increase in the Company's share capital from the Company's funds

According to Article 328 of the Companies' Act (Official Gazette No. 152/11 – consolidated text, 111/12, 68/13 and 110/15, hereinafter referred to as Companies' Act „ZTD“), the General Assembly of the company ILIRIJA joint stock company for hospitality and tourism with registered office in Biograd na Moru, Tina Ujevića 7, entered in the court registry of the Commercial Court in Zadar under the number (Company Reg. No. MBS): 060032302, Company Tax No. OIB: 05951496767 (hereinafter referred to as „**Company**“), has at its session held in the registered office of the Company, on 20th November 2017 passed the following

DRAFT DECISION on an increase in share capital from the company's funds

1. The share capital of the Company amounts to HRK 205,146,480.00 and it is divided into 301,686 ordinary bearer shares without a nominal amount. Share capital of the Company has been paid in whole.
2. It is determined that the financial statements of the Company for the fiscal year 2016 (statement of financial position (balance sheet), profit and loss account with the statement of comprehensive income, statement of changes in equity, statement of cash flow and notes to the financial statements), which were prepared in March 2017 and confirmed by the auditor in March 2017, as well as the financial statements of the Company as at 30th June 2017, certified by the auditor in September 2017, that has given a unqualified opinion, i.e. that the financial statements present in all significant aspects a realistic and objective financial position of the Company as at 31st December 2016 and as at 30th June, 2017, and the operating results and cash flows in the year

ending on that date show that as at 31st December 2016. and as at 30th June, 2017, the capital reserves of the Company amount to HRK 26,723,874.00 shown in the account 919.

3. It is determined that the General Assembly of the Company has decided that a part of the capital reserves indicated in the financial statements of the Company for the year 2016 as well as in the financial statements of the Company as at 30th June 2017, out of a total amount of HRK 26,723.874, a part of the capital reserves in the amount of HRK 24,000,000.00 should be used to increase the share capital from the Company's funds, because there is no uncovered loss according to the financial statements of the Company.
4. The share capital of the Company shall increase from the amount of HRK 205,146,480.00 by the amount of HRK 24,000,000.00 to the amount of HRK 229,146,480.00.
5. The Company's share capital is increased from the Company's assets by increasing the amount of the share capital referring to one existing ordinary share without the nominal amount.
6. Based on the determined and audited annual financial statements of the Company for the year 2016, and on the basis of the adopted and audited financial statements of the Company as at 30th June 2017, the increase in the share capital from the Company's assets referred to in section 3 of this Decision will be conducted by entering or converting a part of the capital reserves in the amount of HRK 24,000,000.00 into the Company's share capital.
7. It is determined, that the share capital of the Company following the increase conducted amounts to HRK 229,146,480.00 and it is divided into 301,686 ordinary bearer shares without a nominal amount.
8. The increase in the Company's share capital shall not change the relations between the rights resulting from the shares, i.e. the Company's shareholders shall be entitled to the shares of the increased amount proportionate to their previous participation in the Company's share capital, pursuant to the provision of Article 333 of the Companies' Act, thus maintaining the same relations among the shareholders.
9. The Management Board of the Company shall take all necessary legal actions to have this Decision registered in the Court Registry of the Commercial Court in Zadar and in the depository of the Central Depository Clearing Company Inc. /Središnje klirinško depozitarno društvo d.d./

Ad. 6. Decision 2 on changes and amendments to the Articles of Association of the Company;

According to Article 275, paragraph 1, section 5 and Article 301, paragraph 1 of the Companies' Act (Official Gazette No. 152/11 – consolidated text, 111/12, 68/13 and 110/15, hereinafter referred to as Companies' Act „ZTD“), the General Assembly of the company ILIRIJA joint stock company for hospitality and tourism with registered office in Biograd na Moru, Tina Ujevića 7, entered in the court registry of the Commercial Court in Zadar under the number (Company Reg. No. MBS): 060032302, Company Tax No. OIB: 05951496767 (hereinafter referred to as „Company“), has at its session held in the registered office of the Company, on 20th November 2017 passed the following

Decision 2 on changes and amendments to the Articles of Association 1 of the Company;

1. In Article 4 of the Articles of Association 1 of the Company of 20th November 2017 (hereinafter referred to as: Company's Articles of Association), paragraph 1 is changed, so that after being changed it reads:

„The Company's share capital amounts to: HRK 229,146,480.00 (two hundred twenty-nine million one hundred forty-six thousand four hundred eighty Kuna).“

2. All remaining provisions of the Articles of Association 1 of the Company remain unchanged.
3. These changes to the Company's Articles of Association come into force and are applied as of the date of registration thereof with the court registry.
4. The Supervisory Bord is authorized to determine the full wording of the Articles of Association.

Ad. 7. Decision on division of the Company's shares;

The General Assembly of the company ILIRIJA joint stock company for hospitality and tourism with registered office in Biograd na Moru, Tina Ujevića 7, entered in the court registry of the Commercial Court in Zadar under the number (Company Reg. No. MBS): 060032302, Tax no. OIB: 05951496767 (hereinafter referred to as „**Company**“), did at its meeting held in the registered office of the Company on 20th November 2017 pass the following

DECISION ON DIVISION OF THE COMPANY'S SHARES

The bearer ordinary shares without nominal amount designated as ILRA-R-A, ISIN: HRILRARA0009 are divided. One ordinary share of the Company which is a bearer share without a nominal amount is divided in 8 (eight) new ordinary shares of the Company that are bearer shares without the nominal amount.

Taking this state of affairs into consideration, the Company's share capital is divided into 2,413,488 (two million four hundred thirteen thousand four hundred eighty-eight) bearer ordinary shares and each Company's shareholder shall for each bearer ordinary share of the Company, without a nominal amount, prior to the division of the Company's shares according to this Decision acquire 8 (eight) bearer ordinary shares of the Company without the nominal amount.

The Company's share division will be followed by an increase in share capital of the Company.

The Management Board and the Supervisory Board of the Company shall be authorized to and charged with undertaking all necessary actions in accordance with the relevant regulations to have this Decision on the division of the Company's shares, including the corporate action to have the division of the Company's shares registered in the system of Central Depository Clearing Company Inc. Zagreb.

Ad. 8. Decision 3 on changes and amendments to the Articles of Association of the Company;

According to Article 275, paragraph 1, section 5 and Article 301, paragraph 1 of the Companies' Act (Official Gazette No. 152/11 – consolidated text, 111/12, 68/13 and 110/15, hereinafter referred to as Companies' Act „ZTD“), the General Assembly of the company ILIRIJA joint stock company for hospitality and tourism with registered office in Biograd na Moru, Tina Ujevića 7, entered in the court registry of the Commercial Court in Zadar under the number (Company Reg. No. MBS): 060032302, Company Tax No. OIB: 05951496767 (hereinafter referred to as „Company“), has at its session held in the registered office of the Company, on 20th November 2017 passed the following

Decision 3 on changes and amendments to the Articles of Association 2 of the Company;

1. Paragraph 2, Article 4 of the Articles of Association 2 of the Company of 20th November 2017 (hereinafter referred to as: Company's Articles of Association) has been changed and now it reads:

“The share capital of the Company is divided into 2,413,488 (two million four hundred thirteen thousand four hundred eighty-eight) bearer ordinary shares without the nominal capital.”

2. Article 9 of the Articles of Association 2 of the Company has changed and now changed reads:

„All data and notices by the Company shall be disclosed by the Company subsequently according to positive regulations of the Republic of Croatia.“

3. All remaining provisions of the Company's Articles of Association 2 shall remain unchanged.
4. These changes to the Company's Articles of Association come into force and are applied as of the date of registration thereof with the court registry.
5. The Supervisory Board is authorized to determine the full wording of the Articles of Association of the Company.

**CALL AND INSTRUCTIONS FOR SHAREHOLDERS FOR PARTICIPATION IN THE
GENERAL MEETING**

(hereinafter referred to as: Call, that is, Instructions)

- 1.) The entitlement to participation in the work of the General Meeting and exercising voting right (one share = one vote) is vested in each Company's shareholder, that notifies the Company about its participation in writing no later than six days prior to holding the General Meeting, that is, no later than 13th November 2017. The Company's shareholder is considered to be a legal and natural person that is as the shareholder registered with the Depository of the Central Clearing Depository Company Inc. (SKDD) on the last day for registration for the participation in the work of the General Meeting, that is, on 13th November 2017. g.

- 2.) The shareholders participate at the General Meeting in person or are represented by their proxies on the basis of a written power of attorney duly authenticated by a notary public.
- 3.) The application (in order to be valid) must include, and also must be accompanied by the following:
- a) Shareholders – natural persons:
 - first name and family name, place of residence, Tax No. OIB, number of account in SKDD and total number of shares
 - b) Shareholders – legal persons:
 - company or name of a legal person, registered seat, Tax No. OIB, number of account in SKDD and total number of shares;
 - copy of the excerpt from the court or any other registry on registration of persons authorized for
 - representation of the legal person in the current year;
 - power of attorney for representation by a proxy of a legal person if the legal person is not represented by a person authorized for representation according to the legal provisions;
 - c) Proxies of shareholders – natural persons:
 - first name and family name, place of residence (address) and proxy's tax number OIB;
 - list of shareholders represented by him, for each of them the number of account opened in SKDD and total number of shares of all represented shareholders are to be indicated;
 - the application is to be accompanied by all individual powers of attorney of shareholders on prescribed form.
 - d) Proxies of shareholders – legal persons:
 - company name or name of a legal person, registered seat and address and proxy's tax no. OIB;
 - list of shareholders represented by him, for each of them the number of account opened in SKDD and total number of shares of all represented shareholders are to be indicated;
 - the application is to be accompanied by individual powers of attorney of shareholders in written form, and if a shareholder is a legal person, the application is to be accompanied by an excerpt from court registry or any other registry with
 - which the legal person is registered, or its copy, certified copy or any other public document which shows that the power of attorney has been signed by a person that is legally authorized to represent this legal person.

It is recommended that the form of application for participation at the General Meeting and powers of attorney should be used.

The application forms can be obtained in the registered office of the Company and they are also available on the website of the Company

www.ilirijabiograd.com

- 4.) The application for participation in the General Meeting and the powers of attorney and all attachments must be in the Croatian language, but if they are in a foreign language, they should be accompanied by a Croatian translation to be produced by a qualified court interpreter.


Shareholders, representatives and proxies of shareholders who do not fulfill their obligation of submitting a proper notice of participation in the work of the General Meeting in accordance with this call, shall not have the right to participate and to vote at the General Meeting of the Company.

- 5.) The applications for participation in the General Meeting shall be submitted directly to the Company at its headquarters in Biograd na Moru, Tina Ujevića 7 or are to be sent to the Company by registered mail to the address: Ilirija d.d., Tina Ujevića 7, 23210 Biograd na Moru;
- 6.) Applications for participation at the General Meeting shall be considered timely submitted if they have been submitted or sent by ordinary mail at the post office to the Company no later than by 24:00 hours on 13th November 2017 according to these Instructions. The shareholders that failed to report their participation at the General Meeting properly in accordance with these Instructions or who failed to attach the relevant documents to the application form according to these Instructions shall not be entitled to participate in the General Meeting.
- 7.) For underage natural persons and persons without legal capacity or with limited legal capacity the application form is to be submitted by and such a person is represented by a legal representative who has to attach the original or a copy or certified copy of the document to the application form that shows his status of a legal representative.
- 8.) This decision and draft decisions that are proposed to the General Assembly by the Management Board and the Supervisory Board shall be published in the Official Gazette and on the website of the Court Registry, Zagreb Stock Exchange, HINA (The Croatian News Agency) and Ilirija d.d. and shall be submitted to HANFA (Croatian Financial Services Supervisory Agency).
- 9.) The shareholders who together hold shares in the amount of the twentieth part of the share capital of the Company may request in a written form that an item be placed on the agenda of the General Assembly. Such a request, together with an explanation and a draft decision must be received by the Company no later than 30 days before the date when the General Meeting is held, or on the closing date 20th October 2017. The failure to observe the deadline results in non-valid disclosure of the proposed agenda items and they cannot be properly decided upon at the General Meeting.
- 10.) Each shareholder shall by stating his name and surname be authorized to submit his counterproposal supported by an explanation to the draft decision by the Management Board and the Supervisory Board by the agenda items and deliver it to the Company at least 14 days before the General Meeting is held or on the closing date 05th October 2017 to the address of the Company Tina Ujevića 7, 23210 Biograd na Moru. Failing to observe this deadline shall not result in deprivation of the right to submit the counterproposal at the General Meeting.
- 11.) The Management Board shall at the General Meeting give every shareholder at his request, information about the affairs of the Company, if it is necessary to make judgment of the issues on the agenda.

- 12.) All materials relating to the agenda of the General Assembly will be available to the shareholders at the Company's headquarters every working day from 11.00 to 12.00 hours from the day of publication of this Decision in the Official Gazette.
- 13.) Participants are invited to come to the Management Board's Office of the Company one hour before the scheduled start of the General Meeting, in order to make the registration of the participants and deliver materials for participation in the work of the General Meeting in proper time. Voting at the General Meeting is done electronically.
- 14.) If no quorum as specified in Article 8 of the Articles of Association is reached at the General Meeting convened on 20th November 2017, the next General Meeting will again be held on the same day at 17.00 hours at the same place and with the same agenda.

The public is excluded from the work of the General Meeting.

ILIRIJA d.d.
Biograd na Moru



ILIRIJA dioničko društvo
za ugostiteljstvo i turizam
Biograd na Moru 2