

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 24th October 2016 commencing at 9.30 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. Making Decision on a change to the core business activities – added activities;*
- 3. Decision on changes and amendments to the Articles of Association of the Company;*
- 4. Report by the Management Board on the reasons for the total exclusion of pre-emptive rights of the existing shareholders to the subscription and payment for new shares*
- 5. Decision on an increase in share capital of the Company by contributions in cash and issue of new shares and amendments to the Articles of Association;*
- 6. Decision on the listing of all Company's shares on the official market of the Zagreb Stock Exchange for trading;*

DRAFT DECISIONS

Proposals by the Management Board and Supervisory Board of the Company to the General Meeting in sections 2,3,5 and 6:

Ad. 2. 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 24th October 2016 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:
 - * Real estate management and maintenance of real estate;
 - * Real estate agency;
 - * Real estate operations;
 - * Management and maintenance of parking lots,
 - * Providing car parking services,
 - * Maintenance and cleaning of all kinds of residential and office buildings,
 - * Landscaping and development of green areas,
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. 3. Decision on changes and amendments to the Articles of Association of the Company;

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 24th October 2016 passed the following

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

1. In Article 3 of the Articles of Association, the new lines are added, that constitute core business activities, in the way as follows:
 - * Real estate management and maintenance of real estate;
 - * Real estate agency;
 - * Real estate operations;
 - * Management and maintenance of parking lots,
 - * Providing car parking services,
 - * Maintenance and cleaning of all kinds of residential and office buildings,
 - * Landscaping and development of green areas,
2. All remaining provisions of the Articles of Association remain unchanged.
3. These changes to the Articles of Association come into force and are applied as of the date of registration thereof with the court registry.
4. The Supervisory Board is authorized to determine the full wording of the Articles of Association.

Ad. 5. Decision on an increase in share capital of the Company by contributions in cash and issue of new shares and amendments to the Articles of Association

According to Article 304 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 24th October 2016 passed the following

Decision on an increase in share capital and issue of new shares by making amendments to the Articles of Association

1. The share capital amounts to HRK 159,085,880.00 (one hundred fifty-nine million eighty-five thousand eight hundred and eighty Kuna) and is divided into 274,286 (two hundred seventy-four thousand and two hundred eighty-six) ordinary bearer shares with a single nominal value of HRK 580.00 (five hundred eighty Kuna) each. Share capital of the Company has been paid in whole.
2. The share capital is increased by issuing new shares along with the payment of the contribution in cash for raising the funds required for the realization of the Company's business plan.
3. According to this Decision, the share capital increases from the amount of HRK 159,085,880.00 (one hundred fifty-nine million eighty-five thousand eight hundred and eighty Kuna) by the amount not exceeding HRK 15,892,000.00 (fifteen million eight hundred ninety-two thousand Kuna) to the amount not exceeding HRK 174,977,880.00 (one hundred seventy-four million nine hundred seventy-seven thousand eight hundred and eighty Kuna) by issuing up to 27,400 (twenty-seven thousand and four hundred) new ordinary bearer shares in dematerialized form, with single nominal value of HRK 580.00 (five hundred eighty Kuna) each.
4. The increase in share capital of the Company referred to in section 3 of this Decision shall be executed by the payment in cash by issuing minimum 26,030 (twenty-six thousand and thirty), and maximum 27,400 (twenty-seven thousand and four hundred) new ordinary bearer shares with single nominal value of HRK 580.00 (five hundred eighty Kuna) each (hereinafter referred to as („New shares“)).
5. The amount for which the New Shares are issued (Article 307, paragraph 1, section 2 of the Companies' Act) is determined within the range of HRK 1,250.00 (one thousand and two hundred and fifty Kuna) up to HRK 1,500.00 (one thousand and five hundred Kuna) for one New Share. Upon completion of the subscription, but before sending a call to the Subscribers referred to in section 9 of this Decision, the Management Board of the Company will, on condition that it obtains the prior consent from the Supervisory Board of the Company, determine, but solely within the specified range, the final amount for which the new shares are issued (hereinafter "The final amount"). According to the provision of Article 304, paragraph 3 of the Companies' Act, the New Shares shall not be issued below this lowest amount indicated in this Decision.

6. The new shares shall entitle their holder the same rights as all other ordinary shares issued by the Company.
7. The New Shares shall be subscribed by a written statement indicated in Article 307, paragraph 1 of the Companies' Act (hereinafter referred to as „**Subscription Form**“). The payment for New Shares shall be made to the account for special purpose of the Company which will be opened for such purposes with the commercial bank of the Company and it shall be indicated in the Subscription Form.
8. The subscription for the New Shares shall be done in the two rounds, namely:

First round. In the first round in duration of 14 (fourteen) days commencing from the date of effectiveness of this Decision, the right to the subscription for new shares shall be only vested in the shareholder Allianz ZB (defined below in section 10 of this Decision), namely, for the number of the New Shares that equals its share in the share capital of the Company on the date of passing this Decision (Article 308, paragraph 1 of the Companies' Act). The Management Board is authorized to close the first round for the subscription for new shares prior to the end of fourteen days' term if (1) Allianz ZB fully exercises its pre-emptive right before the end of that period, or (2) this shareholder notifies the Management Board about waiving its pre-emptive right.

Second round. In the second round in duration of three business days after the publication of the public call, all Subscribers shall be entitled to subscribe for New shares (as they are defined below in Section 9 of this Decision).

The term for the payment for New Shares is 3 (three) business days commencing from the date of subscription (signing the Subscription Form). Exceptionally, if the subscription and payment for New shares is fully executed before the end of that term, the Management Board of the Company may close the issue not waiting for the end of the above terms.

9. For the purpose of subscribing and paying for New shares, the Company's Management Board will publicize a public call in accordance with the relevant regulations to legal entities that at the time of subscription and payment for New shares must meet the requirement under Article 351, paragraph 1, section 1 of the Capital Market Law (hereinafter „**Subscription Forms**“). Potential investors may not pay the amount which is less than the HRK equivalent amount of EUR 100,000.00 (one hundred thousand Euros) per investor for the subscribed New shares, but the Management Board is authorized to determine both the highest and the lowest investment amount by its decision. The Management Board is authorized to adopt the rules on the allocation of New shares.
10. According to the provisions of Article 308, paragraph 4 of the Companies' Act, the General Assembly hereby fully excludes the pre-emptive right to subscribing for New Shares for all Company's shareholders, except for the pre-emptive right of the shareholder – company **Allianz ZB d.o.o.**, the company for the compulsory pension fund management with the registered office in Zagreb, Heinzelova 70/VI, Tax no. OIB: 58384724129, on behalf of pension funds managed by it (hereinafter referred to as "**Allianz ZB**"), since that shareholder meets the requirement referred to in Article 351, paragraph 1, section 1 of the Capital Market Act (qualified investor).

11. The final amount of an increase in share capital within the range specified in section 3 of this Decision will depend on the success of the issue, that is, on the number of New Shares that will be subscribed and paid for. The issue of New shares will be considered successfully completed if at least 26,030 (twenty-six thousand and thirty) New shares are subscribed and paid for within the set deadlines for the subscription and payment. The total amount of the successful issue determined in this way will at the same time constitute the exact amount of the increase in share capital of the Company by issuing New Shares. The Management Board of the Company will subject to prior consent from the Supervisory Board determine: (1) the success of issue of New Shares; (2) the exact amount of the increase in share capital and (3) the exact number of New Shares. According to this Decision, the General Assembly of the Company authorizes the Supervisory Board of the Company to amend the Articles of Association of the Company after the share capital increase in accordance with this decision, in order to adjust its text regarding the provisions on the amount of the share capital and number of shares (Article 4 of the Articles of Association) with the changes that have been made as a result of an increase in the share capital and issue of New shares.
12. If the subscription for New Shares does not prove to be successful, the Company shall within no more than 3 business days after the end of the term for subscription and payment for New Shares (section 8 of this Decision) refund the amount paid to the Subscribers.
13. The new shares will be issued in a dematerialized form, in the form of an electronic record in the computer system of the CDCC, with the designation assigned by the CDCC. Each share entitles to one vote at the General Meeting of the Company. The shares are bearer shares and entitle the shareholders to all rights stipulated by the Act and the Articles of Association as of the date of registration of the increase in the share capital in the court registry. The new shares shall be listed for trading on the Službeno tržište Zagrebačke burze d.d., /Official Market of the Zagreb Stock Exchange, /, in accordance with the applicable regulations. The new Company's shares will be traded in on the Official market after their listing.
14. Any potential overpaid amount by the Subscriber shall be refunded by the Company within 3 business days after the end of the term for subscription and payment for New shares (section 8 of the Decision) to the Subscribers to the account number that Subscribers specify in the Subscription form.
15. In the cases referred to in sections 12 and 14 of this Decision, the Company shall not bear the payment transaction costs or any other expenses that the Subscriber has incurred or may have incurred in order to perform the transaction and shall not pay the interests to the Subscribers for the period from the payment to the account of the Company until the moment of the refund to the Subscribers.
16. Except for the reasons indicated in section 11 of this Decision, the increase of the share capital and the issue of new shares shall not be deemed successfully performed if the increase in share capital as referred to in Article 309, paragraph 1 of the Companies' Act is not entered in the court registry of the Commercial Court in Zadar within 6 months' time from the date of passing this Decision. On this day the Subscription Form shall cease to be binding for the Subscribers and each payment effected shall be refunded to the Subscribers with no delay.

17. The Articles of Association, amended at the today's session of the General Meeting, are changed in Article 4 in a way that the issue of New Shares according to this Decision and the enforcement of the increase in share capital of the Company in compliance with this Decision and the result of the subscription of the New Shares will result in a change to the amount of the share capital of the Company in Article 4, paragraph 1 of the Articles of Association and the number of shares in Article 4, paragraph 2 of the Articles of Association of the Company. In this sense, considering the amount of an increase in share capital and the number of new shares of the Company in accordance with the result of the Company's new shares subscribed and paid for, the Supervisory Board is authorized and obligated to: a) to adjust the provisions of Article 4 of the Articles of Association in the part referring to the amount of the share capital of the Company and referring to the number of shares of the Company that the share capital is divided into, in such a way that the former amount of the share capital of the Company "159,085,880.00 (*one hundred fifty-nine million eighty-five thousand eight hundred and eighty*)" in Article 4, paragraph 1 of the Articles of Association is replaced by the number that equals to the increased amount of the share capital of the Company and that in Article 4, paragraph 2, of the Articles of Association of the Company the former number of shares of the Company "274,286 (*two hundred seventy-four thousand two hundred eighty-six*)" is replaced by the number of shares that equals to the sum of the former number of shares and New shares issued for the purpose of an increase in the share capital specified by this decision, and b) to adopt the consolidated text of the Articles of Association. The said changes and amendments of Articles of Association shall come into force on the date of the entry of the increase in the share capital into the court registry as referred to in Article 309 of the Companies' Act.
18. This Decision comes into force immediately on the date of reaching it.

Ad. 6. Decision on the listing of all Company's shares on the official market of the Zagreb Stock Exchange for trading;

According to Article 275, paragraph 1, section 8 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 24th October 2016 passed the following

Decision on the listing of Company's New shares on the official market of the Zagreb Stock Exchange for trading;

1. According to this Decision, the General Assembly determines that all of the new ordinary shares issued in accordance with the Decision on an increase in share capital by contributions in cash and amendments to the Articles of Association passed by the General Assembly of the Company on 24th October 2016, i.e. maximum 27.400 (twenty-seven thousand four hundred) new ordinary bearer shares with a single nominal value of 580.00 (five hundred eighty) HRK each shall be listed for trading onto the official market of Zagrebačka burza d.d. /the Zagreb Stock Exchange/ (hereinafter referred to as "Official Market").

2. The Management Board of the Company is authorized to list and is charged with listing all of the shares indicated in section 1 of this Decision onto the Official Market, and to take all actions required as stipulated by the applicable regulations.
3. This Decision comes into force immediately on the date of reaching it.

Information to the shareholders regarding the registration and participation at the General Meeting

- A. *The right to participation in the work of the General Meeting and voting is vested in the shareholders in person or through the proxy who are registered in the Depository of the Central Depository Clearing Company (CDCC) ten days before the holding of the General Meeting and those that submit the application for participation at least six days before the date on which the holding of the General Meeting is scheduled. The proxies shall prove their status by written power of attorney. The Shareholder or a proxy that is not registered will not be able to participate in the work of the General Meeting.*
- B. *The decisions at the General Meeting are taken by public voting.*
- C. *This Decision and the draft decisions proposed by the Company's Management Board to the General Meeting shall be publicized in the Official Gazette, on the website of the Company, Zagrebačka burza d.d. and court registry, and the notice thereabout shall be submitted to HINA and HANFA.*
- D. *All the materials for the General Meeting used as documents for making the proposed decisions shall be available to the shareholders for inspection in the registered office of the Company, in the Legal Department, every working day from 11:00 till 12:00 hours.*
- E. *If after 60 minutes after the elapse of the time specified in the call for the commencement of the General Meeting no quorum is reached according to the provisions of the Articles of Association, the Chairman of the General Meeting will put off the session, and a new session with the same agenda, at the same place and at the same time will be held on 31st October 2016. The General Meeting held in such a way may validly take decisions regardless of the number of shareholders presented at it.*

This Decision will be publicized in the Official Gazette.

*Ilirija d.d.
Management Board: Goran Ražnjević*



ILIRIJA dioničko društvo
za ugostiteljstvo i turizam
Bograd na Moru 2