

Pursuant to item 2 of Article 277 of the Companies Law (Official Gazette No. 111-1993., 34-1999., 121-1999, 52-2000., 118-2003 and 107-2007 and 146-2008 and 137-2009), and pursuant to Article 22 of the Articles of Association of PODRAVKA d.d., Koprivnica, Article 4 of the Rules of Procedure of the Management Board, the Management Board of Podravka d.d has passed on its 55th meeting held on 4 February 2010 the following

RESOLUTION
on Convening the General Assembly of PODRAVKA d.d., Koprivnica

I. The GENERAL ASSEMBLY of PODRAVKA d.d. has been convened

on March 25th 2010 (Thursday) at 10.00 a.m.
at the Conference Hall of PODRAVKA d.d.
A. Starčevića Street 32, Koprivnica

II. It has been made up and published hereby the following

AGENDA FOR THE GENERAL ASSEMBLY:

1. Opening of the General Assembly, determination of present and represented shareholders and their proxies;
 2. Recall of PODRAVKA d.d.; General Assembly President and Deputy President;
 3. Election of PODRAVKA d.d. General Assembly President and Deputy President;
 4. Report on business operations of the Company in 2009 and the Business Plan for 2010;
 5. Resolution on changes and amendments of PODRAVKA d.d. Articles of Association;
 6. Resolution on recall of PODRAVKA d.d. Supervisory Board members;
 7. Resolution on election of PODRAVKA d.d. Supervisory Board members;
- III.** All shareholders of PODRAVKA d.d. are entitled to attend and vote at the General Assembly (1 share = 1 vote), who have been entered into the computer system kept by the Central Depository & Clearing Company, provided notice of attendance and intention on participating in work of this Assembly has been given to the Management Board's Office – Secretary Office of the Company not later than 18th March 2010 at 4.00 p.m.
- IV.** Any further entries of changes to the computer system kept by the Central Depository & Clearing Company shall be suspended as of 18th March 2010 at 4.00 p.m. until the first working day following the day the General Assembly is held. Any requests for subscription to the computer system kept by the Central Depository & Clearing Company submitted in the period when the subscriptions are suspended will be considered submitted on the first working day following the meeting of the General Assembly.
- V.** Shareholders may attend and vote at the General Assembly in person or through a proxy. Powers of attorney for attendance and exercise of right to vote shall be issued in writing and distributed to all shareholders. Shareholders may be represented by proxies provided they have valid powers of attorney issued by shareholders, or on behalf of shareholders being legal entities, and by persons authorized for representation pursuant to provisions in Article 29 of the Articles of Association of PODRAVKA d.d., Koprivnica.
- VI.** Shareholders of PODRAVKA d.d, representatives of shareholders and proxies shall give notice of attendance and exercise of right to vote at the General Assembly in writing not later than 18th March 2010 at 4.00 p.m. (the seventh day prior to the meeting of the General Assembly) to the following address:

PODRAVKA d.d.
Ured Uprave
Ante Starčevića Street 32
48000 KOPRIVNICA

Notice of attendance (to be valid) must contain, and be attached by:

a) Shareholders – natural persons:

- name and surname, home address, citizen identification number and number of shares held (number of votes at the General Assembly);

b) Proxies of shareholders – natural persons:

b/1. Proxies – natural persons:

- name and surname, home address, citizen identification number and number of shares held (number of votes at the General Assembly) they have been authorized to represent,
- attached to the notice: individual powers of attorney issued by shareholders (forms distributed to shareholders);

b/2. Proxies – legal entities:

- name of company, or name of legal entity, its domicile and address, number of shares (number of votes at the General Assembly),
- photocopy of excerpt from court or any other register of authorised persons for representation of a legal entity in current year,
- attached to the notice: individual powers of attorney in writing;

c) Shareholders – legal entities:

- name of company, or name of legal entity, its domicile and address, number of shares (number of votes at the General Assembly),
- photocopy of excerpt from court or any other register of authorized persons for representation of legal entity in current year,
- proxy's power of attorney for representation of legal entity (if legal entity is not represented by a person authorized for representation pursuant to law provisions).

- VII.** Shareholders, representatives and proxies of shareholders who will fail to meet obligations to give proper notice of attendance at the General Assembly pursuant to this Resolution, shall not be entitled to attend and decide at the General Assembly of PODRAVKA d.d.
- VIII.** Pursuant to provision in Article 29, item 4 of the Articles of Association of PODRAVKA d.d., Koprivnica, shareholders, their proxies and representatives shall bear expenses of their attendance at the General Assembly.
- IX.** This Resolution and draft resolutions proposed to the General Assembly by the Management Board and the Supervisory Board of PODRAVKA d.d. will be published in the "Official Gazette", HINA and Podravka web site.
- X.** All the relevant information and documents related to General Assembly Agenda will be available to shareholders at PODRAVKA d.d. headquarters at the reception desk, every business day from 10.00 a.m. to 1.00 p.m. as well as on PODRAVKA d.d. web site, since the day this Resolution has been made public. Participants in the General Assembly are kindly invited to arrive to the reception desk of PODRAVKA d.d. two hours earlier than the specified time of the General Assembly for the purpose of registration and delivery of materials for participation at the General Assembly.
- XI.** The public is excluded from the work of the General Assembly.
- XII.** If a quorum is not present at the General Assembly on 25th March 2010, as provided in Article 30 of the Articles of Association of PODRAVKA d.d., the General Assembly will be adjourned and held on 1st April 2010 at 10 a.m. at the same venue and with the same agenda. This General Assembly will be held and valid resolutions will be passed regardless of the number of present and represented shareholders.

● **DRAFT RESOLUTIONS OF THE GENERAL ASSEMBLY OF PODRAVKA d.d.**

- The Management Board and the Supervisory Board of PODRAVKA d.d. propose to the General Assembly of PODRAVKA d.d. to pass the following resolutions (items 2, 3 and 5):

Item 2 on the Agenda:

- I. Recall of PODRAVKA d.d. General Assembly President

Mr. Branko Vuljak, from Đelekovec, Mihovila Pavleka Miškine 94,
(date of birth 28 August 1955., personal identification card no: 15614280, OIB: 60658362115).

- II. Recall of PODRAVKA d.d. General Assembly Deputy President

Mr. Tomo Trošelj from Koprivnica, Vinica 2,
(date of birth 26 January 1954., personal identification card no: 101936400, OIB: 13415981780).

- III. The recalled President and Deputy President of Podravka d.d. General Assembly's term stated in items 1 and 2 of this Draft Resolutions ends on the date the resolution is passed by the General Assembly of PODRAVKA d.d.

Item 3 on the Agenda:

- I. For PODRAVKA d.d. General Assembly President to the period of 4 (four) years elected is:

Mr. Hrvoje Matić from Zagreb, Petretičev trg 2a,
(date of birth 2 July 1971., personal identification card no: 102471370, OIB: 42148932429).

- II. For PODRAVKA d.d. General Assembly Deputy President to the period of 4 (four) years elected is:

Mr. Ivan Mesić from Koprivnica, Podravska 10,
(date of birth 29 April 1977., personal identification card no: 103589036, OIB: 98093392792).

- III. The elected President and Deputy President of Podravka d.d. General assembly's term stated in items 1 and 2 of this Draft Resolutions starts on the date the resolution is passed by the General Assembly of PODRAVKA d.d.

Item 4 on the Agenda:

Materials in this item on the Agenda have been published on web sites of the Zagreb Stock Exchange, HINA and PODRAVKA d.d.

Item 5 on the Agenda:

- I. With this resolution the existing and valid text of the Articles of Association of PODRAVKA d.d. KOPRIVNICA (complete text) published on 20 July 2006 is being replaced by the new completely verified ARTICLES OF ASSOCIATION of PODRAVKA d.d., KOPRIVNICA.
- II. New ARTICLES OF ASSOCIATION of PODRAVKA d.d., KOPRIVNICA (hereinafter: Articles of Association) come into force on the date they are passed at the General Assembly of PODRAVKA d.d.
- III. AMENDMENTS to the Articles of Association are valid as of date they are entered into the court register of the Commercial Court in Bjelovar.

- The Supervisory Board of PODRAVKA d.d. proposes to the General Assembly to pass the following resolutions (items 6 and 7):

Item 6 on the Agenda:

- I. From PODRAVKA d.d. Supervisory Board recalled are:
 - 1. **Karmen Antolić**, from Koprivnica, Tome Čikovića 19,
internal medicine specialist (date of birth: 9 October 1959, personal identification card no.: 101701220, OIB: 81392477995).
 - 2. **Nikola Gregur**, from Koprivnica, Braće Radića 27a,
BA econ. (date of birth: 14 November 1953., personal identification card no: 100229708, OIB: 71505218708).
 - 3. **Dražen Sačer**, from Koprivnica, Hrvatske državnosti 25,
GP (date of birth: 20 April 1951, personal identification card no.: 9845172, OIB: 81945855293).
 - 4. **Dubravko Štimac**, from Zagreb, Veslačka 2,
BA econ. (date of birth: 16 January 1966, personal identification card no: 15242188, OIB: 40402971482).
 - 5. **Darko Tipurić**, from Zagreb, Kraljevićeva 6,
prof. dr. sc. (date of birth: 8 March 1966, personal identification card number: 15071990).
 - 6. **Branko Vuljak**, from Đelekovec, Mihovila Pavleka Miškine 94,
BA electrical engineering, (date of birth: 28 August 1955, personal identification card no: 15614280, OIB: 60658362115).
- II. The term of the members recalled from the Supervisory Board from the item 1 of this draft resolution ends on the date the resolution is passed by the General Assembly of PODRAVKA d.d.

Item 7 on the Agenda:

- I. For PODRAVKA d.d. Supervisory Board member to the period of 4 (four) years elected are:
 - 1. **Karmen Antolić**, from Koprivnica, Tome Čikovića 19,
internal medicine specialist (date of birth: 9 October 1959, personal identification card no.: 101701220, OIB: 81392477995).
 - 2. **Dinko Novoselec**, from Zagreb, Josipa Pupačića 2,
BMATH, (date of birth: 25th June 1968, personal identification card no: 101372032, OIB: 35751455327).
 - 3. **Dubravko Štimac**, from Zagreb, Veslačka 2,
BA econ. (date of birth: 16 January 1966., personal identification card no: 15242188, OIB: 40402971482).
 - 4. **Petar Vlajić**, from Zagreb, Ljubijska 85,
BA electrical engineering, (date of birth: 19 July 1967, personal identification card no: 101556767, OIB: 95645311308).
- II. The term of the members elected to the Supervisory Board in item 1 of this draft resolution starts on the date the resolution is passed by the General Assembly of PODRAVKA d.d.

**PODRAVKA d.d.
Koprivnica**

Pursuant to paragraph 5, item 1 of Article 275 of the Companies Law (Official Gazette No. 111-1993, 34-1999, 121-1999, 52-2000, 118-2003, 107-2007, 146-2008 and 137-2009) PODRAVKA d.d. General Assembly convened on 25 March 2010 passed the following

ARTICLES OF ASSOCIATION of PODRAVKA d.d., KOPRIVNICA

I. INTRODUCTORY PROVISIONS

Article 1 General provisions

- 1) The joint-stock Company PODRAVKA, food industry, d.d., Koprivnica (hereinafter referred to as: Company) has been established on the basis of the privatization of the Company PODRAVKA unlimited, Koprivnica, in accordance with the Law, the Decision on the privatization and the Decision of the Croatian Privatization Fund dated 7 July 1993.
- 2) The Company has been registered in the Register of Companies of the Commercial Court in Bjelovar under file number 1-610, on 1 October 1993.
- 3) Issuing a decree no. Tt-95/2547 on 3 January 1996 the Commercial Court in Bjelovar verified the Company adjusted their general acts to the Company Law and the Company is registered under numbers MBS 010006549, OIB 18928523252.
- 4) The provisions of these articles of association define issues about:
 - the company and company headquarters,
 - Company's main business,
 - Company's share capital,
 - nominal shares and number of shares in the Company,
 - Company bodies,
 - annual report and the appropriation of Company's profit,
 - manner and form the Company's public statements are published,
 - duration and dissolution of the Company,
 - other issues relevant for Company's business.
- 5) All acts and procedures of the bodies of the Company shall be in accordance with the provisions hereunder.
- 6) The provisions of the present Articles of Association shall be binding on the shareholders, the bodies and the employees of the Company.

Article 2 Duration and dissolution of the Company

The Company has been established for an unlimited period of time and can be dissolved only in the way and under the terms as provided by the Law and Company's Articles of Association.

II STATUTORY PROVISIONS

Article 3 Company name

- 1) The Company shall operate business and participate in the legal trade under the following Company name:
PODRAVKA prehrambena industrija d.d.
- 2) The Company may use the abbreviated Company name which is as follows:
PODRAVKA d.d.
- 3) The Company name translated to English language is as follows:
PODRAVKA Food Processing Industry, Incorporated.
- 4) The Company may use the abbreviated Company name in translation to English language which is as follows:
PODRAVKA Inc.
- 5) The company name and abbreviated Company name can be changed as per decision of the Company Management Board.

Article 4 **Registered office of the Company**

- 1) The registered office of the Company is in Koprivnica at the business address as determined by the Company Management Board.
- 2) Decision on change of the Company's business address is to be made by the Company Management Board, previously agreed with the Company Supervisory Board.

Article 5 **Scope of activities of the Company**

The scope of activities of the Company shall consist of the following:

- 01 - Agriculture, hunting and related services
- 15 - Food and beverage production
- 20 - Wood processing, production of wooden and cork products, except furniture
- 22 - Publishing and printing, copy of recorded material
- 29.2 - Manufacture of other machinery for general purposes
- 29.5 - Manufacture of other machinery for special purposes
- 31.6. - Manufacture of other electrical equipment, not designated elsewhere
- 36 - Manufacture of furniture, other processing industries, not designated elsewhere
- 37 - Recycling
- 40.13 - Electric energy distribution and trade
- 40.3 - Steam and hot water supply
- 50 - Trade of motor vehicles and motorcycles; maintenance and repairs of motor vehicles and motorcycles, retail in motor fuel and oils
- 60.23 - Other road transport of passengers
- 60.24 - Road transport of goods (freight)
- 63 - Related and auxiliary activities in the field of traffic
- 65.23 - Other financial brokerage, not designated elsewhere
- 70 - Real estate trade
- 71 - Renting of machines and equipment, without operator and items for personal and household use
- 72 - Computer and related activities
- 73 - Research and development
- 74.13 - Market research and public opinion polls
- 74.15 - Management of holding companies
- 74.3 - Technical tests and analyses
- 74.4 - Marketing (advertising and publicity)
- 74.7 - Cleaning of all types of premises
- 74.8 - Other business activities, not designated elsewhere

93 - Other services

- Technical and technological science
- Agricultural, veterinary and forestry science
- International transport of goods (freight) and passengers
- International transport – agency operations
- International forwarding
- Supply of vehicles for the transport of goods
- Foreign catering and tourist related activities
- Contractual qualitative and quantitative control of goods in international traffic
- Services of warehousing in foreign trade
- Organisation of international fairs
- Representation of foreign companies
- Research services and providing and use of information and know-how in the field of economy and science abroad
- Brokerage and representation in the international trade of goods and services and other services
- Performance of investment works abroad and assignment of inland investment works
- Commercial work for the functioning of trade of goods and services
- Quality and quantity control of goods
- Sales and purchase of goods
- Trade brokerage on domestic and foreign markets
- Sales of goods outside shops: retail on markets, post sales, on benches, kiosks, at the customer's premises, vending machine sales, TV sales, mobile vendors (street vendors with carts and other) and sales at events, fairs, exhibitions and similar
- Food preparation and serving
- Drink and beverage preparation and serving
- Accommodation services
- Preparation of food for consumption elsewhere (in vehicles, at events and similar) and catering
- Collection, purification and distribution of water
- Distribution and supply of hot water, steam and compressed air
- Maintenance, protection and collection of payment at parking lots
- Internet sales
- IT company services
- Designing, construction, usage and objects removal
- Construction supervision
- Activities on occupational safety
 - hazard evaluation,
 - testing of machines and devices with increased hazard level and testing in the work environments, issuing certificates on tests performed,
 - machines and devices testing, personal protective agents and equipment, issuing certificates that the agents and equipment are produced in compliance to international conventions, occupational hazard regulations, i.e appropriate standards.
- * Production of agricultural and food products – ecological production,
 - ecological production in growing herbs and herbal products production includes:
 - ecological production in growing animals and animal products production includes
 - ecological production in fibers of natural origin processing
- * Processing in ecological production,
- * Trade in ecological products, unprocessed herbal and animal products and products which are completely or partially composed of such products
- * Bear production – mini brewery
- * Medicines and homeopathic products testing,
- * Medicines and homeopathic products production,
- * Medicines and homeopathic products trade,
- * Medicines and homeopathic products trade quality testing,
- * Medical products production
- * Medical products wholesale.

Article 6

Branch offices of the Company

The Company may establish their own branch offices. The decision with regard to the establishment of a branch office, its company name, registered office, scope of activities and dissolution shall be made by the Company Management Board.

Article 7

Trademark

- 1) The Company has a long-term usual trademark – “Podravka’s heart”, representing the drawing of an oval shield, vertically divided into the left light half and the right dark half, with the graphical symbol of a heart in its quarter, vertically divided into the left dark and the right light half.
- 2) The trademark mentioned under the previous item shall be used by the Company together with the Company name on its business documents, to mark its business premises, on promotional tools, as a trademark or service mark and at other occasions with regard to the activities and business operations of the Company.
- 3) The decision about the use of the trademark outside the scope of activities and business operations of the Company shall be made by the Management.

Article 8

Seals

- 1) The Company shall use a sufficient number of seals for its business operations, which shall bear the Company name, the registered office and the trademark of the Company.
- 2) The round Company seal shall be used to produce wax marks and dry marks, while a square Company seal shall be used for ink or colour marks.

Article 9

Disclosures of data and statements of the Company

- 1) The data and the statements of the Company, for which the Law prescribes, shall be published in the “Official Gazette” of the Republic of Croatia.
- 2) If Company shares are listed in official quotations on any stock exchange outside Croatia, Company data and statements shall also be published in one newspaper in the country where headquarters of the stock exchange are situated.

III SHARE CAPITAL

Article 10

Amount of share capital

- 1) The share capital of the Company amounts to 1,626,000,900.00 Kunas (one billion six hundred and twenty six million and nine hundred) Kunas.
- 2) The share capital has been fully paid in.

IV SHARES

Article 11

Number, nominal value and type of shares

- 1) The share capital of the Company is divided into 5,420,003 (five million four hundred and twenty thousand and three) ordinary shares of the nominal value of 300,00 Kunas (three hundred) each.
- 2) All shares have been paid in and are registered shares.

Article 12 Central Depository & Clearing Company

- 1) Company shares are non-materialized shares existing only in electronic form in the computer system of the Central Depository and Clearing Company (hereinafter: CDCC).
- 2) As for the Company, the shareholders are only those registered at the CDCC.
- 3) The Company may still keep the book of shares for their own record.
- 4) Transfer of shares and any other transaction shall be recorded on the shareholder's account at the CDCC, in accordance with positive regulations and Rules of the CDCC.

V BODIES OF THE COMPANY

Article 13 BODIES OF THE COMPANY

Bodies of the Company are:
- The Management Board
- The Supervisory Board
- The General Assembly.

V/1 THE MANAGEMENT BOARD

Article 14 Composition

- 1) The Management shall consist of the President and 4 (four) members utmost.
- 2) The number of members of the Management Board mentioned under the previous item shall be defined by the Supervisory Board upon the appointment of the members to the Management Board.
- 3) Persons who do not hold a university degree and at least 5 (five) years of professional experience in management cannot be appointed to the positions of President or member of the Management Board.

Article 15 Appointment and term of office

- 1) The President and the members of the Management Board shall be appointed for the term of office as defined by the Supervisory Board.
- 2) After their appointment the President and the Management Board members are required to sign a written statement on the acceptance of their appointment. This statement can be signed in advance.
- 3) The Management Board is appointed to the term as defined by the Supervisory Board, but to 5 (five) years utmost, and they can be reappointed.

- 4) Should the President or individual members be appointed during the mandate of the existing Management Board, their terms of office last until the term of office of the entire Management Board.
- 5) The term of office begins as of the date of Management Board appointment.

Article 16
Public competition for appointment

- 1) The Supervisory Board may decide to appoint the Management Board President and members based upon public competition where it can specify all the requirements for such competition.
- 2) The public competition and appointment of the President and members of the Management Board need to be completed before the existing Management Board's term of office expires.

Article 17
Conduct of business operations

- 1) The members of the Management Board shall manage the business operations of the Company and their decisions, by rule, shall be made at their sessions and only in exceptional occasions out of session, whereby their will shall be expressed in writing.
- 2) The decisions of the Management shall be specified in a protocol of the session of the Management.
- 3) All other matters of the Company shall be conducted by the President and the members of the Management Board, on the basis of the division of work among the members of the Management Board for specific areas of activity or for specific tasks.
- 4) The functioning of the Management and the division of work among the members of the Management Board in accordance with the previous item shall be regulated by the Rules of Procedure of the Management adopted by the Management Board, and approved by the Supervisory Board.
- 5) The sessions of the Management Board shall be convened and chaired by the President of the Management Board or, in the event that he is prevented, by the member of the Management Board who acts as his Deputy.
- 6) The decisions of the Management shall be valid if they have been adopted with the majority of the votes of the members of the Management, unless otherwise provided by the Law.

Article 18
Representation

- 1) Management Board President is authorized to represent the Company only jointly with another Management Board member. Other members have been authorised to represent the Company only jointly with at least another Management Board member.
- 2) When representing and conducting the business, the members of the Management Board shall be due to abide by the restrictions set by the decisions of the General Assembly, the Supervisory Board and by provisions of the Rules of Procedure of the Management Board.
- 3) In regular commercial Company contracts amounting to more than 30,000,000.00 (thirty million) Kunas the Company is represented by the President and other two Management Board members. In regular commercial Company contracts amounting to more than 60,000,000.00 (sixty million) Kunas, the Company is represented by the President along with all other Management Board members.
- 4) The decision with regard to the grant of power of attorney to represent the Company and to the cancellation of such power shall be made by the Management Board

V/2 SUPERVISORY BOARD

Article 19 Number of members and term of office

- 1) The Supervisory Board shall consist of 7 (seven) members.
- 2) The members of the Supervisory Board shall be appointed for 4 (four) year term of office.
- 3) The term of office of each member of the Supervisory Board begins to run as of their election and appointment, respectively.

Article 20 Election and appointment

- 1) The General Assembly shall elect 4 (four) members of the Supervisory Board or more when the power for the appointment of the members of the Supervisory Board in regard to the provisions herein, ceases.
- 2) The Croatian Privatization Fund shall appoint members of the Supervisory Board and it shall be granted such power as long as it holds shares which constitute:
 - at least 5% (five percent) of the share capital of the Company - 1 (one) member,
 - more than 5% (five percent) of the share capital of the Company - 2 (two) members.
- 3) The Employee Council of the Company shall appoint one employee representative to the Supervisory Board in the manner and procedure in compliance with the provisions of the Labour Act.

Article 21 Procedure of appointment

- 1) The General Assembly shall elect the members of the Supervisory Board upon the proposal of the existing Supervisory Board or of the counter-proposal of a shareholder.
- 2) The proposal, namely the counter-proposal mentioned under the previous item shall consist of as many candidates as shall be elected members of the Supervisory Board by the General Assembly.
- 3) The statements in writing of the candidates about the fact that they accept their candidacy and membership in the Supervisory Board shall be attached to the proposal, namely the counter-proposal.
- 4) The proposal, namely the counter-proposal of the list of candidates shall be voted at the General Assembly as a whole. The adopted list shall be the one which has received more than three quarters of the votes cast.

Article 22 Competence

- 1) The Supervisory Board performs the following tasks in particular:
 - appoints and recalls the President and members of the Company Management Board;
 - as needed it convenes the General Assembly;
 - it supervises the business operations of the Company;
 - it reviews annual financial reports and verifies them together with the Company Management Board;

- it submits a written report to the General Assembly on performed supervision;
 - it proposes to the General Assembly draft resolutions compliant to the Law;
 - it represents the Company in regards to the Management Board.
- 2) Besides the competence and authority defined by the Law, the Supervisory Board shall decide of granting its prior consent to the Management Board for the performance of the following tasks:
- alienation of the real estates and other Company assets whose individual value is more than 16,000,000.00 (sixteen million) Kunas,
 - burdening of the real estates and other Company assets whose individual value is more than 70,000,000.00 (seventy million) Kunas,
 - annual business plan of the Company,
 - establishment of new companies and other legal entities and dissolution of the existing ones, as well as purchasing and/or disposal with shares/stock options and assets of their companies, i.e. other legal entities,
 - increase/decrease the share capital in daughter companies and other issues related to the bodies of those companies where a representative of the Company participates,
 - closing legal businesses whose value is more than 1% (one percent) of the Company share capital, and which are outside regular commercial contracts deriving from Company business activities and which are not real estates,
 - every granting of a loan not being related with regular commercial contracts with business partners, by PODRAVKA to other persons outside PODRAVKA GROUP,
 - verifying the draft resolution on Company main auditor,
 - resolutions on advance-money for dividend,
 - other resolutions/acts when regulated by the Law or special resolutions of the Supervisory Board or the General Assembly,
 - adopting the Rules of Procedure of the Management Board.
- 3) For the above stated activities the Supervisory Board must issue a previous approval, only in exception can the subsequent approval be issued, provided there was a just cause why the previous approval by the Supervisory Board could not be obtained.

Article 23 **Passing resolutions**

- 1) The Supervisory Board makes their decisions at their sessions, and the resolutions can be passed if the majority of the Supervisory Board members are present at the sessions.
- 2) The Supervisory Board passes their resolutions by the majority of votes given. Each Supervisory Board member is entitled to give one vote. Should the votes be equally divided, deciding would be the vote by the Supervisory Board President.
- 3) The Supervisory Board can pass resolutions even without holding a session, via e-mail, letter, telephone, telegraph or by use of other competent technical assets. At its following session, the Supervisory Board is obliged to verify such resolutions.
- 4) The Supervisory Board passes their own Rules of the procedure for their conduct of business operations, voting policy and other issues in their jurisdiction.

V/3 GENERAL ASSEMBLY

Article 24 **Competence**

- 1) The General Assembly is a body where the shareholders can exercise their rights related to Company matters. If it is applicable, the General Assembly can be held via video link.

- 2) All the members of the bodies of the Company need to participate at the General Assembly. The members of the Company Management and Supervisory Boards can participate in the General Assembly via video link.
- 3) The General Assembly is authorized to make decisions regarding issues strictly determined by the Law and the Company's Articles of Association, particularly on:
 - election and recall of the Supervisory Board members,
 - appropriation of profit,
 - discharging members of the Management and Supervisory Boards,
 - appointing the Company's main auditor,
 - amendments of the Articles of Association,
 - increase and decrease of the Company share capital,
 - dissolution of the Company,
 - other issues relevant for the Company.
- 4) The General Assembly may decide on matters of conducting business of the Company only based on the request by the Company Management Board.

Article 25 Convening

- 1) The General Assembly is convened in situations determined by the Law and the Articles of Association, and needs to be convened when so demanded by the interests of the Company. The General Assembly needs to be held in the first eight months of the business years.
- 2) The General Assembly need to be convened at least 30 (thirty) days prior to the date the shareholders need to register for participation at the General Assembly, pursuant to Article 28 of the Articles of Association.
- 3) The Management Board determines the venue for holding the General Assembly.
- 4) General Assembly is convened by the Company Management Board.
- 5) General Assembly can also be convened by the Company's Supervisory Board as well.
- 6) The General Assembly needs to be convened when requested by the shareholders having jointly at least 5% (five percent) of the share capital of the Company and who have stated the purpose and the reason for convening the Assembly. The request for convening the General Assembly is submitted to the Management Board in the written form.

Article 26 Registration

- 1) Shareholders having registered for participation at the General Assembly at least 7 (seven) days before the General Assembly was being held may participate at the General Assembly.
- 2) A shareholder may submit a counter-proposal on individual draft resolution two weeks prior to the General Assembly in a written form with attached explanation or compose a counter-proposal at the General Assembly.

Article 27 Passing resolutions

- 1) At the General Assembly the resolutions are passed by the majority of votes (ordinary majority) except when lawfully prescribed required majority to pass exact resolutions.

- 2) Voting right at the General assembly shall be exercised pursuant to the nominal shares amount of every member, meaning each share with a nominal value of 300.00 (three hundred) Kunas can cast one vote.
- 3) Voting at the General Assembly is public by raising voting ballots or filling in and handing over the voting ballots bearing the number of votes belonging to an individual shareholder.

Article 28 Participation

- 1) The shareholders may participate at the General Assembly in person or have a proxy.
The shareholders may be represented by the legal or natural persons, based on a written power of an attorney. Person authorised to represent a shareholders – a legal person, regarding this Articles of Association, is the person authorised based on a Law or a general act by the legal person.
- 2) Should a shareholder be represented by a legal person, it needs to be registered in the register at the commercial court as the person having authority to represent or that person may be the person authorized by the shareholder.
- 3) Written power of attorney needs to contain the information about the authorized person, the information about the shareholder, total nominal shares, the authorization to participate and vote on behalf of the shareholder at the General Assembly, along with the date of issue and duration this power is valid. Power of an attorney can also be given in an electronic format.

Article 29 President and the Deputy President at the General Assembly

- 1) General Assembly is presided by the President, and in case of his impedance, it is presided by the Deputy President.
- 2) The President and Deputy President to the General Assembly are elected by the General Assembly for the period of 4 (four) years, as proposed by the Supervisory Board.
- 3) General Assembly President:
 - presides over the General Assembly sessions and determines the sequence of items on the Agenda, decides on sequence of voting on individual proposals, on draft resolutions, and all the procedural matters not determined by the Law and this Articles of Association,
 - signs the resolutions passed by the Assembly, signs the list of shareholders present at the General Assembly, the manner and results of the voting at the Assembly and other necessary records,
 - on behalf of the General Assembly he communicates with other bodies of the Company and third persons, when it is predicted so by the law and this Articles of Association,
 - he also performs other tasks under his jurisdiction pursuant to the Law and this Articles of Association.
- 4) Before starting with the Agenda, the General Assembly President needs to verify whether the proxies have valid powers of attorney pursuant to the provisions of this Articles of Association and whether the Assembly has the required quorum.

Article 30 Costs of the General Assembly

The costs of attendance at the General Assembly shall be borne by the shareholders themselves. The costs of holding the General Assembly shall be borne by the Company.

Article 31

The list of present shareholders

- 1) The list of all the present and represented shareholders and their proxies needs to be made at the General Assembly, stating their names, last names and address, and stating their total nominal number of shares.
- 2) The list needs to be composed based on a valid identification issued by the CDDC, i.e. based on proxies' powers of attorney for representing shareholders at the General Assembly in a written form.

Article 32 Debating at the General Assembly

- 1) A shareholder or his proxy wishing to debate on an individual item on the Agenda needs to register this to the person in charge and determined so by the General Assembly President prior the voting on this item on the Agenda takes place.
- 2) Shareholders and their proxies will be given the right to speak by the General Assembly President, compliant to order of registration.
- 3) Shareholders and proxies present at the General Assembly need to contribute with their behaviour and make sure the General Assembly takes place pursuant to the provisions in this Articles of Association and the Law.
Peace and order at the General Assembly is maintained by the General Assembly President and for this purpose he is authorised to deny someone to speak, and the person disrupting the order at the General Assembly he is authorised to have removed from the General Assembly.
- 4) Shareholder's right to ask for notices, ask questions and debate is limited in the manner verbally determined by the General Assembly President after having determined that the shareholders proxies have valid powers of attorney and that the General Assembly has a quorum, having in mind the need for ordinance and appropriate duration of the General Assembly.
If it is applicable for maintaining the ordinance, appropriate duration and efficiency of the General Assembly, the General Assembly President may limit the total time of the debates, asking questions and request for notices, distributed for individual item on the Agenda as well as determine the maximum amount of time during which every shareholder or a proxy appropriately registered for debate may ask questions, debate or ask for notices.
- 5) When putting restrictions in the previous item, the General assembly President will bear in mind the total items on the Agenda, complexity of the matter to be voted on and the number of shareholders or proxies appropriately registered for the debate.

Article 33 Voting

- 1) Having discussed individual items on the Agenda, the General Assembly will pass their resolutions by voting.
- 2) Voting ballots for the General Assembly will be prepared by the Company.
- 3) Voting can be exercised by filling in the ballots, and one can vote "for", "against" or "abstaining" for each item on the Agenda.

Article 34 Quorum

The decisions made by the General Assembly shall be valid if at least 30% (thirty percent) of the total number of voting shares is represented.

VI ANNUAL REPORT AND THE APPROPRIATION OF PROFIT

Article 35 Annual Report

- 1) Business year of the company is the calendar year.
- 2) The Management Board is responsible to prepare annual financial reports and the report on business operations and the state of the Company and submit them to the Company auditor, within deadlines as proscribed by the Law, after the business year completes.

The Auditor's report is promptly submitted by the Management Board to the Supervisory Board along with annual financial report, report on business operations and draft resolutions to the General Assembly on the appropriation of profit.

Annual financial reports, reports on business operations and the state of the Company, auditor's report and draft resolutions by the Management Board on the appropriation of profit, and the report by the Supervisory Board on conducted supervision of the Company, must be submitted for review to shareholders of the Company at the business premises of the Company, as of the day the General Assembly is convened.

Article 36 Appropriation of net profit

Net profit realized in the business year the Company needs to use for the below stated purposes:

- to cover losses transferred from previous years,
- to be entered into legal reserves,
- to be entered into reserves for own shares if the Company has acquired them or has intention of acquiring them,
- to be entered into other reserves,
- for distribution to shareholders as dividend and /or for other purposes in compliance to the Law.

Article 37 Decision on appropriation of net profit

The General Assembly shall decide on the appropriation of the net profit from the business year.

The General Assembly may decide to share the net profit with the shareholders and/or be distributed into legal reserves, other reserves and/or used for other purposes.

The General Assembly may decide to appropriate the profit to the shareholders in physical form, such as Company shares.

The General Assembly may decide to use the profit and distribute among shareholders for other purposes, for instance to be paid to the employees or Management Board Members.

The General Assembly may decide not to distribute the profit among the shareholders (transferred profit).

Article 38 Advance on dividend

Upon the expiry of the financial year, the Management can, with the consent of the Supervisory Board, decide to pay to shareholders an advance on the dividend out of the forecast net profit for shareholder distribution.

Half of the amount of profit at the most can be paid as an advance, reduced by the amounts that according to the Law and the Articles of Association need to be entered into Company reserves.

Advance on dividend cannot be more than 50% (fifty percent) of last year's profit.

Dividend payment maturity is 30 (thirty) days as of the day the resolution on dividend payment is passed, unless decided otherwise by the General Assembly.

VII FINAL PROVISIONS

Article 39 Coming into force

This Articles of Association are put to force as of the date it is entered into the Register of Companies of the Commercial Court in Bjelovar.

General Assembly President
Hrvoje Matić, v.r.