

Pursuant to item 2 of Article 277 of the Companies Law and pursuant to Article 22 of the Articles of Association of PODRAVKA d.d., Koprivnica, the Management Board has passed on its 97<sup>th</sup> meeting on May 16th 2007 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 July 10th 2007 (Tuesday) at 12.00 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. The report of the Supervisory Board of PODRAVKA d.d. on the supervision over the leading of PODRAVKA d.d. business operations in 2006;
3. Determination of annual financial statements for the 2006 business year:
  - 3.1. Consolidated for PODRAVKA d.d. (parent company and subsidiaries);
  - 3.2. For PODRAVKA d.d.
  - 3.3. Report of independent auditors of PODRAVKA d.d.
  - 3.4. Annual report of the Management Board of PODRAVKA d.d. on PODRAVKA d.d. (parent company and subsidiaries) business operations and on the position of the Company in the 2006 business year.
4. Appropriation of the profit for the 2006 business year;
5. Purchase of own shares;
6. Discharge of the members of the Management Board of PODRAVKA d.d.
7. Discharge of the members of the Supervisory Board of PODRAVKA d.d.
8. Appointment of auditors of PODRAVKA d.d. for the 2007 business year and determination of their fee.

- 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 Agency, provided notice of attendance has been given to the Management Board's Office – Secretary Office of the Company not later than 3rd July 2007 at 4.00 p.m.
- IV. Any further entries of changes to the computer system kept by the Central Depository Agency shall be suspended as of 3rd July 2007 at 4.00 p.m. until the first working day following the day of the General Assembly. Any requests for subscription to the computer system kept by the Central Depository Agency 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 in 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.
- VI. Shareholders of PODRAVKA d.d, representatives of shareholders or proxies shall give notice of attendance and exercise of right to vote at the General Assembly in writing not later than 3rd July 2007 at 4.00 p.m. (the seventh day prior to the meeting of the General Assembly) to the following address:

**PODRAVKA d.d.**  
**MANAGEMENT BOARD'S OFFICE**  
**SECRETARY OFFICE OF THE COMPANY**  
**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, PIN 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, PIN 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 of 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 of 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., 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", "Vjesnik" and Circular Letter which is distributed to all shareholders.
- X. Resolution on convening of General Assembly of PODRAVKA d.d., draft proposals submitted to General Assembly for an approval and the Report of the Supervisory Board on performed supervision over leading of business operations will be published in the Circular Letter to be delivered by mail to all shareholders to their home address recorded in the computer system of the Central Depository Agency. Exceptionally, if the Circular Letter fails to be delivered by mail, it will be available to shareholders at PODRAVKA d.d. domicile every working day from 10 a.m. to 1.00 p.m., as of the date of convening the General Assembly. Copies of contracts entered with the members of the Management Board will be available to the shareholders at the venue of the General Assembly 15 minutes before the meeting of the General Assembly and after the conclusion of the General Assembly. 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. If a quorum is not present at the General Assembly on 10<sup>th</sup> July 2007, as provided in Article 30 of the Articles of Association of PODRAVKA d.d., the General Assembly will be adjourned and held on 17<sup>th</sup> July 2006 at 12 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.

**REPORT OF THE SUPERVISORY BOARD OF PODRAVKA d.d.  
ON THE SUPERVISION OF LEADING BUSINESS OPERATIONS OF  
OF PODRAVKA d.d. IN 2006**

This Report covers the period from 1<sup>st</sup> January 2006 until 31<sup>st</sup> December 2006.

The Supervisory Board of PODRAVKA d.d. (hereinafter: the "Supervisory Board") pursuant to powers defined in provisions of the Companies Law, the Articles of Association of PODRAVKA d.d. and the Rules of Procedure of the Supervisory Board, continually supervised the leading of business operations of PODRAVKA d.d. in 2006 by making decisions and conclusions on six sessions held in 2006.

By supervising the leading of business operations of PODRAVKA d.d., the Supervisory Board discussed numerous issues regarding business operations of PODRAVKA d.d. and its subsidiaries in 2006.

The Supervisory Board founded four committees: Audit Committee, Remuneration Committee, Human Resources Committee, Strategic Development Committee. Audit Committee held two sessions in 2006 and Remuneration Committee held one session.

In the period from 1<sup>st</sup> January 2006 until 20<sup>th</sup> July 2006 the Supervisory Board acted and consisted of the following members:

Božo Prka, Marko Ećimović, Milan Artuković, Marijan Cingula, Goran Gazivoda, Boris Hmelina, Ksenija Horvat, Barica Macan, Franjo Maletić, Darko Ostojica and Đuro Zalar.

In the period from 20<sup>th</sup> July 2006 until 31<sup>st</sup> December 2006 the Supervisory Board acted and consisted of the following members:

Mladen Vedriš, Marko Ećimović, Milan Artuković, Goran Gazivoda, Damir Felak, Boris Hmelina, Ksenija Horvat, Franjo Maletić, Josip Pavlović, Dražen Sačer and Dubravko Štimac.

Having examined the leading of business operations of PODRAVKA d.d., the Supervisory Board determined that PODRAVKA d.d. acted in 2006 in accordance with laws, acts of PODRAVKA d.d. and resolutions of the General Assembly.

The Supervisory Board examined the report of the Auditors - PricewaterhouseCoopers d.o.o., Zagreb, Alexandera von Humboldta 4, who had reviewed financial reports of PODRAVKA d.d. and its subsidiaries for the year ended 31<sup>st</sup> December 2006 and the Supervisory Board accepted the submitted report of Auditors.

After having reviewed the Annual report on PODRAVKA d.d. and its subsidiaries business operations and on the position of the Company in 2005, submitted by the Management Board of PODRAVKA d.d., the Supervisory Board has determined that annual financial reports of PODRAVKA d.d. and its subsidiaries for the year ended 31 December 2006 were disclosed in accordance with positions in business books of PODRAVKA d.d. and its subsidiaries, and that they disclosed correctly property and business positions of PODRAVKA d.d. and its subsidiaries, and the Supervisory Board gave its approval.

In accordance with Article 300 d of the Companies Law, the Supervisory Board submits annual financial reports to the General Assembly of PODRAVKA d.d. for their determination.

Constituent parts of financial reports of PODRAVKA d.d. for the year ended 31<sup>st</sup> December 2006 are as follows:

- a) Profit and Loss Account of PODRAVKA d.d.
- b) Balance Sheet of PODRAVKA d.d.,
- c) Cash Flow Statement of PODRAVKA d.d.
- d) Statement of Changes in Equity of PODRAVKA d.d.
- e) Notes to the Financial Statements of PODRAVKA d.d.
- f) Profit and Loss Account of PODRAVKA d.d. and its subsidiaries,
- g) Balance Sheet of PODRAVKA d.d. and its subsidiaries,
- h) Cash Flow Statement of PODRAVKA d.d. and its subsidiaries,
- i) Statement of Changes in Equity of PODRAVKA d.d. and its subsidiaries,
- j) Notes to the Financial Statements of PODRAVKA d.d. and its subsidiaries,
- k) Report of the Auditors on the audit conducted by PricewaterhouseCoopers d.o.o. Zagreb, Alexandera von Humboldta 4.

The Supervisory Board approved the report of the Management Board of PODRAVKA d.d. on the position of PODRAVKA d.d. and PODRAVKA d.d. and its subsidiaries and the report is submitted to the General Assembly for adoption.

The Supervisory Board approved the draft resolution of PODRAVKA d.d. concerning the appropriation of the profit for the 2006 business year, and the draft of the resolution has been submitted to the General Assembly of PODRAVKA d.d. to be adopted.

## **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 to pass the following resolutions (items 3, 4, 5, 6 and 7):

### **Re item 3 on the Agenda:**

- I. Annual financial statements for the 2006 business year, reports and opinions of authorised auditors included, are determined:
  - consolidated for PODRAVKA d.d. (parent company and subsidiaries);
  - for PODRAVKA d.d.
- II. Annual report of the Management Board of PODRAVKA d.d. on business operations of the PODRAVKA d.d. (parent company and subsidiaries) and on the position of the Company for 2006 business year are determined.
- III. This Resolution is passed to the General Assembly of PODRAVKA d.d. for determination.

### **Re item 4 on the Agenda:**

- I. Profit of PODRAVKA d.d., as disclosed in financial statements of PODRAVKA d.d. for the 2006 business year in amount of HRK 5,929,693.17, will be appropriated as follows:
  - 5% of profit in amount of HRK 296,484.66 will be allocated for legal reserves (Article 222 of the Companies Law),
  - for reserves for own shares HRK 1,985,953.80 will be allocated
  - HRK 182,362.74 will be allocated for other reserves.
- II. Payment of dividends on regular shares in gross amount of HRK 5 for each share to shareholders of PODRAVKA d.d. registered in the computer system of the Central Depository Agency on the 7<sup>th</sup> day prior to General Assembly of PODRAVKA d.d. is approved to be paid from the remaining current profit and other reserves. Payment will be made until 31 December 2007.

### **Re item 5 on the Agenda:**

PODRAVKA Food Processing Industry, d.d. (hereinafter: Group) will acquire own shares via one or more purchases of regular shares in A series in the name of PODRAVKA Food Processing Industry, d.d. of nominal value of HRK 300.00 each (hereinafter: Shares) in the Zagreb Stock Exchange under the following terms:

- I. The highest total number of Shares purchased based on this Resolution, together with the shares that the Group acquired earlier or are in the process of acquiring based on previously concluded contracts, is 10 (ten) percent of the Group equity.
- II. Management Board of Podravka Group is authorized to make independent purchases of own shares up to amount of 10 (ten) percent of the Group equity.

- III. The lowest possible price per share is 50 (fifty) percent of average market value of the Share (without prepaid possible taxes and other expenses and costs), during ten work days immediately preceding the day the Share was purchased.
- IV. The highest possible price per share (without prepaid possible taxes and other expenses and costs), per Share is not 10 (ten) percent above the average market value of the share during ten work days immediately preceding the day the Share was purchased.
- V. The Group will conclude one or more contracts on Shares purchase pursuant to this Resolution, and subscribe the Shares to its own name at the Central Depository Agency.
- VI. Pursuant to Article 235 of the Companies Law, the Group's treasury shares carry no rights.
- VII. The Group will acquire Shares for the reasons stated in the Article 233 of the Companies Law.
- VIII. This Resolution is valid for 18 (eighteen) months of the day it is passed.

**Re item 6 on the Agenda:**

Discharge is given to the members of the Management Board of PODRAVKA d.d. in respect of their duties carried out in leading the PODRAVKA d.d. Company in 2006.

**Re item 7 on the Agenda:**

Discharge is given to the members of the Supervisory Board of PODRAVKA d.d. by which their duties and supervision over leading business operations of PODRAVKA d.d. in 2005 have been approved.

The Supervisory Board of PODRAVKA d.d. proposes to the General Assembly to pass the following resolutions (item 8):

**Re item 8 on the Agenda:**

- I. The financial statements of the parent company PODRAVKA Food Processing Industry d.d. Koprivnica and of its affiliated (subsidiary) companies, and also consolidated financial statements of the PODRAVKA Group shall be audited by the authorised auditors:

**Deloitte d.o.o.**  
**headquartered in Zagreb, Heinzelova Street 33.**

- II. The Management Board of PODRAVKA d.d. shall be authorized to enter appropriate agreements on auditing with the above mentioned Auditing Company and to fix remuneration for their service.

**PODRAVKA d.d.**  
**Koprivnica**