



MANAGEMENT BOARD

No:UD-154-2015.
In Koprivnica, 30th July 2015

On the basis of Capital Market Law (Official Gazette 88/2008, 146/2008, 74/2009, 54/2013, 159/2013 and 18/2015), Company Law (Official Gazette 111/1993, 34/1999, 121/1999, 52/2000, 118/2003, 107/2007, 146/2008, 137/2009, 111/2012 and 68/2013) and in accordance with other applicable regulations (including the *acquis communautaire*), Management Board of PODRAVKE Inc., („**Issuer**“) passed on its 118th session held on 30th July 2015 the following

PROGRAM OF OWN SHARES PURCHASE

INTRODUCTION

Article 1

The share capital of the Issuer amounts to HRK 1,566,400,660.00 and is divided on 7,120,003 ordinary shares on name, each of nominal value of HRK 220.00. The shares of the Issuer are in non-materialized form, in the form of an electronic record in the computer system of the Central Depository and Clearing Company (“**CDCC**“).

The holder of the Issuer's shares has voting rights at general Assembly of the Issuer, so that each share of the Issuer provides for right to one vote, right to dividends of Issuer and right to payment of the share in residual assets in liquidation or bankruptcy procedure of the Issuer. The holder of the Issuer's shares has right to be informed about operations and business of the Issuer and other material and managing rights in accordance with the Company Law and other applicable regulations.

The General Assembly of the Issuer passed on 3rd June 2015 the Resolution on share capital increase and issue of regular shares through a public bid in the Republic of Croatia, entries in money, with partial exclusion of priority rights of the existing shareholders on subscription and payment of new shares (“**Resolution on share capital increase**“) on the basis of which the share capital of the Issuer was increased from the amount of HRK 1,192,400,660.00 for the amount of HRK 374,000,000.00 to the amount of HRK 1,566,400,660.00, by cash contributions, through issue of 1,700,000 new regular shares on name, each of the nominal value of HRK 220.00 (“**New Shares**“).

In the first round of subscription and payment for New Shares, the employees of the Issuer as well as the employees of its related companies have subscribed and paid in for 88,475 New Shares.

All shares of the Issuer (including also New Shares) are included in Official Market of Zagreb Stock Exchange Inc. (“**Official Market**“).

All listed shares (including also New Shares) bear Issuer's abbreviated mark, series and its mark: PODR-R-A and ISIN (International Securities Identification Number) HRPODRRA0004 (“**Shares**“).

THE PURPOSE OF THE PROGRAM

Article 2

Based on the Resolution of the Issuer's General Assembly dated 3rd June 2015 on providing authority to the Issuer's Management Board on acquiring own shares of the Issuer (“**Resolution on acquiring own shares**“), in accordance with Article 233, par. 2 of the Company Law, the Management Board of the Issuer adopts the Program of Own Shares Purchase (“**Program**“) in order to realise the purpose of such program as anticipated under the Company Law, including,

PODRAVKA Inc., Koprivnica, Ante Starčevića 32, The Commercial Court in Varaždin, CRN: 010006549, PIN: 18928523252, Privredna banka Zagreb P.L.C., Zagreb, Radnička cesta 50, IBAN: HR94 2340 0091 1000 9852 6, share capital: HRK 1,566,400,660.00, paid in full, total number of shares issued: 7,120,003, nominal share value: HRK 220.00, President of the Supervisory Board: D. Štimac, President of the Management Board: Z. Mršić, members of the Management Board: O. Jakupec, M. Klepač, H. Kolarić



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but not limited to disposal of the Shares within ESOP Program in order to develop employees shareholding.

TERMS OF THE PROGRAM

Article 3

This Program shall be executed in accordance with the provisions of the Capital Market Law, the Company Law as well as other applicable regulations (including *acquis communautaire* of the European Union); all in accordance with the Resolution on acquiring own shares.

The total number of Shares acquired under General Assembly Resolution, together with the Shares that have already been held by the Issuer, should not exceed 10% (ten percent) of the Issuer's share capital at the time of acquisition.

The Issuer's Management Board is authorised for acquiring of the Shares only on organized securities market.

In the business year in which the Issuer acquired the Shares, into the reserves for those shares, in that year, the Issuer has to provide for part of the profit and show amounts that correspond to the amounts paid for acquiring of Shares, so that net assets of the Issuer shown in the financial reports for the last business year, due to acquiring of the Shares do not become smaller than the share capital amount and the reserves which, according to the law, Articles of Association or Issuer's General Assembly decision, Issuer needs to have, and which are not to be used for the payments to the shareholders

The Issuer's Management Board has to report to the first upcoming General Assembly on the reasons and purpose of acquiring of Shares, their number, and portion in the share capital, and on the equivalent value on what the Issuer has given for those Shares. The Issuer's Management Board has the same obligation towards the Supervisory Board of the Issuer, provided that the Management Board has to submit a report to the Supervisory Board within one month after each individual quarter is completed.

TERMS OF PURCHASE

Article 4

In the execution of this Program, the price at which the Shares are to be purchased for the Issuer and daily volume thereof shall not exceed limits proscribed by Article 5 of the Directive of European Commission (EC) No 2273/2003 dated 22nd December 2003 and proscribed under relevant regulation of the European Union.

The purchase price for Shares to be acquired for the Issuer shall not be higher than the price of the last independent transaction or (if it is higher) the highest temporary given independent offer at places of trade on which purchase is taking place.

PROGRAM DURATION

Article 5

This Program will be executed in accordance with the Resolution on acquiring own shares during the 5 (five) years starting from the date when the Resolution on acquiring own shares has been adopted.



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NOTIFICATION

Article 6

The Issuer shall publish this Program through Official Register of Proscribed Information, Zagreb Stock Exchange Inc. and on Issuer's internet site.

The Issuer shall without any delay, but not later than 4 (four) trading days from the day of acquisition of its own shares, notify the public about the number of the own shares (in absolute and relative amount) that Issuer holds after each such acquisition.

The Issuer shall ensure the notification of the Croatian Agency for Supervision of Financial Services („HANFA“) and Zagreb Stock Exchange Inc. on trading within this Program in accordance with the applicable regulations.

CLOSING PROVISION

Article 7

All amendments of this Program shall be made by the Management Board of the Issuer and the Issuer shall without delay inform Official Register of Proscribed Information, HANFA and Zagreb Stock Exchange Inc. on such amendments in the same way as this Program has been published.

This Program comes into force on July, 31st, 2015.



PODRAVKA, Inc.

Zvonimir Mršić
President of the
Management Board