

**INVITATION TO THE MEETING OF THE GENERAL ASSEMBLY
OF GRANOLIO D.D.**

Pursuant to Article 277 of the Companies Act and Article 43 of Granolio d.d. Articles of Association, the Management Board, acting upon the Decision on the calling of the General Assembly of 09 June 2016, convened

The General Assembly of Granolio d.d. Zagreb, Budmanijeva 5,

will be held on 19 July 2016 at 12:00 hours at the Granolio d.d. headquarters, Budmanijeva 5, Zagreb.

I.

The following Agenda is proposed for the General Assembly meeting:

A g e n d a :

1. Opening of the General Assembly meeting, establishing the list of participants at the General Assembly,
2. Resolution on granting authorisation for the acquisition of the Company's own shares

II.

Pursuant to Article 280, paragraph 3 and 4 of the Companies Act, the Management Board and the Supervisory Board of the Company propose to the General Assembly to pass the following resolutions:

Ad 2) The Management Board and the Supervisory Board propose to the General Assembly to pass the following r e s o l u t i o n :

"The Company's Management Board is granted authorisation to acquire own shares marked as GRNL-R-A in the name and for the account of the Company, for a period of 5 years from the day of this resolution, on the grounds of this resolution and without any further special authorisation from the Company's General Assembly, under the following conditions:

- 1) the shares acquired on the grounds of this resolution, along with own shares already in the possession of the Company, may not exceed 10% (ten percent) of the Company's share capital,
- 2) the Company's Management Board shall acquire its own shares on the organised securities market,
- 3) the price at which own shares are bought may not be more than 10% (ten percent) above, or 10% (ten percent) below the average share market price on the previous trading day,
- 4) the Company's net assets as indicated in the financial statements for the previous business year may not, due to the acquisition of the shares, become lower than the share capital and reserves required by the law, the Articles of Association or decision of the General Assembly, which cannot be used for distribution to shareholders.
- 5) at the next General Assembly meeting the Company's Management Board shall provide the reasons and purpose for the acquisition of the shares, their quantity and percentage of the share capital, as well as the counter value paid by the Company

for the shares. The Management Board shall also inform the Company's Supervisory Board, and this report shall be submitted within one month from the end of each quarter."

III.

Shareholders of the Company are hereby invited to participate in the General Assembly convened as per Decision on the calling of the General Assembly.

Shareholders, i.e. their proxies, have voting rights and the right to participate in the General Assembly if they are registered with the Central Depository and Clearing Company as shareholders on the beginning of the 21st (twenty first) day before the General Assembly is held. (Article 48 of the Company's Articles of Association), and persons who apply for participation at the General Assembly no later than 6 (six) days before the General Assembly meeting is held (Article 46 of the Company's Articles of Association).

The General Assembly cannot pass valid decisions unless attended by shareholders representing 50% of shares carrying voting rights - a quorum (Article 53 of the Company's Articles of Association). All resolutions are passed by a majority vote. Each share with a nominal value of HRK 10.00 carries one vote in the Company's Assembly (Article 47 of the Company's Articles of Association).

The application for participation (application form available on the Company website: <http://www.granolio.hr/hr/investitori/>) is made in writing and sent to the Company's Management Board at the Company's seat.

Voting rights at the General Assembly may also be exercised by proxy. The Power of Attorney must be made in writing (form available on the Company website), it must be certified by a notary public and must explicitly grant the proxy the right to vote at the General Assembly. Unless already submitted, the Power of Attorney is submitted to the Company along with the application for participation at the General Assembly meeting prior to its start. The Power of Attorney is retained in the Company archives. A copy of the signed Power of Attorney may also be e-mailed to: granolio-pk@granolio.hr

Shareholders who are legal persons must along with the application and/or Power of Attorney submit also a copy or excerpt from the relevant register.

Shareholders who jointly hold at least a twentieth of the Company's share capital may request that items be added to the General Assembly meeting Agenda, accompanied by an explanatory note and respective resolution proposal. The Company has to receive the request at least 30 days prior to the General Assembly meeting. The day of receipt of the request is not included in the 30-day period.

Shareholders are entitled to make counterproposals to the proposals made by the Management Board and/or Supervisory Board or to make nominations regarding the appointment of auditors by stating their name and surname no later than 14 days prior to the the General Assembly meeting. The day of receipt of the counterproposal is not included in the 14-day period. In case the shareholder does not exercise this right, this will not result

in the loss of the right to file counterproposals at the General Assembly meeting.

At the General Assembly meeting, the Management Board is obliged to provide information about Company operations to any shareholder at their request if this is necessary for deliberating issues on the Agenda. This information may be withheld for reasons provided for by the Companies Act.

Starting with the day the General Assembly meeting is convened, the Invitation to the General Assembly, documents of relevance to the General Assembly meeting, the total number of shares and voting rights at the time the General Assembly is called as well as application forms and power of attorney templates necessary for participation, will be available on the Company website (<http://www.granolio.hr/hr/investitori/>).

IV.

If the General Assembly meeting to be held on 19 July 2016 fails to meet quorum requirements or cannot be held for any other reason, a new Assembly meeting with the same agenda will be held at the Company's premises in Zagreb, Budmanijeva 5 on 21 July 2016 at 09:00 hours. The new Assembly meeting will be held regardless of the number of shareholders attending and the decisions will be passed by a majority of votes cast.

GRANOLIO d.d.
President of the Management Board

Hrvoje Filipović