

Pursuant to article 277 paragraph 2 of the Companies Act and article 54 of the Statute of PLAVA LAGUNA joint stock company for hotel management and tourism, the Company's Management board on October 2nd 2012 renders the following:

**DECISION ON CONVOCATION
OF THE EXTRAORDINARY GENERAL ASSEMBLY**

of the company PLAVA LAGUNA j.s.c. Poreč, Rade Končara 12 (hereinafter referred to as: the Company), which shall be held on November 12th 2012 at Plava laguna headoffice in Poreč, Rade Končara 12, commencing at 10.00 o'clock.

WE PROPOSE THE FOLLOWING

AGENDA

- 1. Opening of the Grand Assembly and determining the list of participants,**
- 2. Presenting the auditor's reports of the Company's business conduct for I-VI 2012,**
- 3. Approval of the Merger agreement of merging HOTEL BONAVIA j.s.c. Rijeka to PLAVA LAGUNA j.s.c. Poreč.**

All shareholders are invited to take part of the General Assembly session.

PROPOSAL OF DECISIONS

Ad. - 2.

The auditor's reports of the Company's business conduct for I-VI 2012 are adopted.

Ad. - 3.

It is herewith approved the Merger agreement of merging HOTEL BONAVIA j.s.c. Rijeka to PLAVA LAGUNA j.s.c. Poreč, with the determined share exchange ratio, where the shareholders of HOTEL BONAVIA j.s.c. Rijeka shall receive 0,00022066 ordinary shares of PLAVA LAGUNA j.s.c. Poreč for one ordinary share of HOTEL BONAVIA j.s.c. without nominal value.

NOTE:

The condition of validity of the Merger agreement stipulated in article 1, paragraph 2, items 3 and 4 has been fulfilled, that is, the court's registry of the Commercial court in Riejka recorded and implemented the decisions regarding the decrease and increase of the share capital, rendered by the General Assembly of HOTEL BONAVIA j.s.c. Rijeka of August 30th 2012.

The complete text of the agreement is available on the company's website and in the Company's headquarters.

The Management and Supervisory board jointly propose the decisions under 3., while the decision under number 2. is proposed by the Supervisory board.

OTHER NOTES:

APPLICATION

The right to take part at the General Assembly and exercise the right to vote belongs to all the Company's shareholders registered at the depository of the Central depository and clearing company on the beginning of the 21st day before the day the General Assembly is held, and who applied their partaking in the General Assembly to the Company's Management board no later than six (6) calendar days before the General Assembly is held, where the day of receipt of the application at the Company is not included in this period.

The partaking forms are available at the Company's headquarters.

The right to take part and to vote may be exercised by the shareholder personally or through an attorney.

The application to take part of the General Assembly and the power of attorney are delivered to the Company's seat with the indication "for the Extraordinary General Assembly".

- POWER OF ATTORNEY

The shareholders may be represented by attorneys pursuant to a valid written power of attorney issued by the shareholder, or in case the shareholder is a legal entity, by the person authorised for representation. The power of attorney must be in writing and contain the attorney's identity, the shareholder issuing the power of attorney, total nominal value of shares and number of votes at his disposal, the authority to act and vote on behalf of the shareholder at the General Assembly, the date of issuance and period of validity of the power of attorney. It is not required to have the power of attorney certified by a notary public.

The power of attorney forms may be obtained at the Company's headquarters.

Shareholders owning jointly the shares that amount to the twentieth part of the Company's share capital have the right to demand to put a certain matter on the General Assembly's agenda, together with an explanation and decision proposal. Such a demand must reach the Company at least thirty (30) days prior to the General Assembly session, where the day of receipt of the demand at the Company is not included in this period.

The shareholders' counterproposals to the proposals made by the Management and/or Supervisory board containing the name and surname of the shareholder, with explanations, must be received by the Company no later than fourteen (14) days prior to the General Assembly session, where the day of receipt of the counterproposal at the Company is not included in this period. If the shareholder chooses not to exercise the said right, this shall not result in loss of right to make counterproposals at the General Assembly. The same rules shall apply to the shareholders' proposals for appointment of auditors, but the said proposal must not be explained.

At the General Assembly the Management board must give each shareholder, upon request, information about the Company's business affairs if this is necessary to decide about the issues on the agenda, where the information may be withheld for reasons set by the Companies Act.

Shareholders may review all the materials for the General Assembly at the Company's headquarters upon the publication of the invitation to the General Assembly, every work day between 10,00 and 12,00 o'clock.

Each shareholder may receive a copy of the said materials upon request.

Pursuant to article 280a of the Companies Act, from the day of convocation of the General Assembly all the relevant materials for its session shall be available on the Company's website www.lagunaporec.com.

The shareholders, that is, their attorneys must register no later than 60 minutes before the commencement of the General Assembly in order to have the list of participants timely prepared.

In case the convened Extraordinary General Assembly lacks the quorum for its session, the following Assembly shall be held on November 13th 2012 at 10,00 o'clock at the same site, with the same agenda, no matter if the quorum is met.

PLAVA LAGUNA j.s.c. Poreč

Proposal

On the basis of Article 275 of the Companies Act and Article 40 of the Statute of PLAVA LAGUNA Joint Stock Company for hotel management and tourism, the owners of the Company at the General Assembly held on November 12th 2012, render the

D E C I S I O N
on adoption of the auditor's reports on the Company's business conduct
for I-VI 2012

Article 1

The auditor's report on the Company's business conduct for I-VI 2011 is adopted.

Article 2

The report is enclosed to this decision and makes its integral part.

Article 3

This decision shall enter into force on the day it is rendered.

Number: GA - 59/2012
Poreč, November 12th 2012

PRESIDENT
Zoran Posinovec, in his own hand

R e a s o n s

The auditing company PricewaterhouseCoopers d.o.o. Zagreb examined the semi-annual financial reports of the Company for the period of I-VI 2012, in order to fulfil the requirements for the merger of HOTEL BONAVIA j.s.c. Rijeka to PLAVA LAGUNA j.s.c. Poreč, hence, their opinion, which the Supervisory Board and the Management Board agree with, is proposed for adoption by the General Assembly.

THE SUPERVISORY BOARD
Davor Luksic Lederer, in his own hand

On the basis of Article 275 and 516 of the Companies Act and Article 40 of the Statute of PLAVA LAGUNA Joint Stock Company for hotel management and tourism, the owners of the Company at the General Assembly held on November 12th 2012, render the

**DECISION
on approval of the Merger agreement**

Article 1

The Merger agreement entered on September 28th 2012 between PLAVA LAGUNA j.s.c. Poreč as the acquiring company and HOTEL BONAVIA j.s.c. Rijeka as the associated company is being approved.

Article 2

The Merger agreement is enclosed to this decision and makes its integral part.

Article 3

This decision shall enter into force on the day it is rendered.

Number: GA - 59/2012
Poreč, November 12th 2012

PRESIDENT
Zoran Posinovec, in his own hand

R e a s o n s

On the basis of the determined mutual interest for the merger and the share exchange ratio explained in the Managements' joint merger report and confirmed by the merger auditors, and after the Agreement has been approved by the Management and Supervisory boards of both companies participating in the merger, it is proposed to approve the Merger agreement by the General assembly as well.

SUPERVISORY BOARD
Davor Lukšić Lederer, in his own hand

MANAGEMENT BOARD
Neven Staver, in his own hand