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Poreč, 21/03/2019  
File no: 1- 37/19.

**Subject: General Assembly – convocation, invitation to the shareholders**

The Management Board of Valamar Riviera d.d., with registered office in Poreč, 1 Stancija Kaligari, personal identification number (OIB) 36201212847 (hereinafter: the Company), LEI: 529900DUWS1DGNEK4C68, Member State: Republic of Croatia, ISIN: HRRIVPRA000, Securities: RIVP (RIVP-R-A), Listing: The Official Market of Zagrebačka burza d.d., pursuant to the provisions of the Companies Act, rendered on 21<sup>st</sup> March 2019 the decision to convoke the Company's General Assembly. It will be **held on 9 May 2019** at the Lanterna Premium Camping Resort, Lanterna Theatre Hall, Tar, Lanterna 1, starting at 12:00. Pursuant to the provisions of the Capital market Act and the Rules of the Zagreb Stock Exchange, the Management Board hereby submits for announcement the Invitation to the shareholders of the Company in its prescribed form, containing decision proposals as well as the full text of the decision proposal for dividend payout.

We hereby announce that the Invitation to the shareholders will be submitted for publication on the court register's website. The full, prescribed form of the Invitation to the shareholders, including the documents for the General Assembly will also be released on the Company's website at [www.valamar-riviera.com](http://www.valamar-riviera.com), pursuant to existing regulations.

The Invitation is in the enclosed text.

Sincerely,

Valamar Riviera d.d.

Pursuant to Article 277, paragraphs 2, 3 and 4 of the Companies Act, and Articles 18 and 19 of the Statute of Valamar Riviera d.d. from Poreč, 1 Stancija Kaligari (hereinafter: the Company) and the Management Board Decision to convoke the General Assembly dated 21<sup>st</sup> March 2019, we hereby announce

## **INVITATION TO THE GENERAL ASSEMBLY OF THE SHAREHOLDERS OF VALAMAR RIVIERA d.d.**

We hereby inform the shareholders of Valamar Riviera d.d. from Poreč, 1 Stancija Kaligari, that the **General Assembly will be held on Thursday, 9 May 2019 at the Lanterna Premium Camping Resort, Lanterna Theatre Hall, Tar, Lanterna 1, starting at 12:00.**

The General Assembly will be conducted according the following

### **AGENDA:**

1. Presentation of the Annual financial statements for 2018 with the Auditor's report, and the Management and Supervisory Board Reports and the related:
  - a) Distribution of profit
  - b) Discharge grant to
    - i. members of the Management Board
    - ii. members of the Supervisory Board
2. Appointment of the Company's Auditors
3. Authorization for acquisition of treasury shares of the Company
4. Dividend payout

### **DECISION PROPOSALS**

The Management Board and Supervisory Board (the Supervisory Board for items 2 ) propose that the General Assembly renders the following decisions:

#### **AD 1)**

1a) to distribute the Company's realized profits in 2018 totaling HRK 239.279.475,64 to the Company's retained profits

1b)

- i. The Management Board members are discharged from managing the Company's business in 2018
- ii. The Supervisory Board members are discharged from performing the supervision of the management of the Company's business in 2018.

#### **AD 2)**

to appoint Ernst & Young d.o.o. from Zagreb, 50 Radnička cesta, personal identification number (OIB): 58960122779 and UHY RUDAN d.o.o. za porezno savjetovanje i reviziju, from Zagreb, Ilica 213, personal

identification number (OIB): 71799539000 as the Auditors for VALAMAR RIVIERA d.d. from Poreč in 2019.

**AD 3)**

**DECISION  
ON THE ACQUISITION OF TREASURY SHARES**

I

The Management Board is authorized, depending on the financial status of the Company, to acquire treasury shares on the organized securities market during the 5-year period from the day this decision comes into force.

II

Consent is given to the Management Board for one or more purchases of ordinary, treasury shares (hereinafter: Shares) in a way that the maximum total amount of shares bought based on this decision is up to 10% of the share capital of the Company.

Acquisition Terms:

- The lowest price per share shall not be less than 50% below the average market value of the share in the 30 days that precede the day of purchase.
- The highest possible price per share shall not be more than 20% over the average market value of the share in the 30 days that precede the day of purchase.
- Share purchase price based on EV/EBITDA multiple of up to a maximum of 11 times EBITDA.

III

The Management Board is authorized to purchase treasury shares outside the organized securities markets, by contracted direct purchase. The Management Board can dispose of treasury shares acquired pursuant to this decision on the organized securities market and outside the organized securities market, without a special decision made by the General Assembly.

IV

This Decision shall come into force on 17 November 2019 upon the expiration of the Decision on the Approval of Treasury Shares Acquisition rendered at the General Assembly on 17 November 2014.

**AD 4)**

**DECISION  
on dividend payout**

I

The shareholders of the Company shall be paid a dividend of HRK 1.00 (one) per each share.

II

The dividend shall be paid out of the retained profit achieved in 2016.

### III

All Company shareholders as owners of shares registered in their accounts of dematerialized securities in the system of the Central Depository and Clearing Company (Središnje klirinško depozitarno društvo d.d.) as at 16 May 2019 (record date) are eligible for dividend payout.

### IV

The company shareholders have the possibility to have one quarter of their dividend paid out in company shares. One fourth of the total dividend a shareholder is entitled to shall be determined as follows: the dividend tax and surtax (if applicable to a shareholder) shall first be deducted from the number of shares multiplied by the dividend amount per share, and then it shall be divided by the average daily company share price achieved on the official market of the Zagreb Stock Exchange on the day this decision is rendered, and then divided by 4 and resulting in  $\frac{1}{4}$  of rights (shares) rounded to the next smaller integer. The remaining part will be paid out in cash. The Company shall use treasury shares for the payment in rights-company shares.

### V

Those shareholders who wish to have a quarter of their dividend paid out in rights- company shares, must have their written, hand-signed statement submitted to the Central Depository and Clearing Company by 30 May 2019 at the latest.

The shareholders can find the application form on the corporate website: [www.valamar-riviera.com](http://www.valamar-riviera.com).

### VI

The shareholders who do not submit their statement to have their dividend paid out in rights - company shares or whose statement will not be submitted to the Central Depository and Clearing Company by 30 May 2019, will receive their dividend in cash.

### VII

The ex date is 15 May 2019.

### VIII

Company shareholders shall receive their dividend on 7 June 2019 (payment date).

## **INSTRUCTIONS FOR SHAREHOLDERS' PARTICIPATION AT THE GENERAL ASSEMBLY AND SHAREHOLDERS' RIGHTS:**

The total number of shares issued with voting rights is 126,027,542, and the total number of voting rights on the day this invitation is announced is equal to 122,726,864 shares, taking into account the one-share-one vote rule and treasury shares having no voting rights.

Shareholders can participate at the Assembly in person or represented by an attorney. Shareholders can participate and vote at the Assembly if they register their participation at the Company, six (6) days before the day of the holding of the Assembly, according to Article 279 of the Companies Act (hereinafter: CA), or if the participation registration is received by the Company's registered office in Poreč, 1 Stancija Kaligari by **2 May 2019** at the latest.

The status in the register of the Central Depository and Clearing Company on the last day of the participation notice period, will be applied to determine the number of votes an individual shareholder is entitled to as well as to determine who is considered to be a shareholder.

Shareholders who wish to participate to the General Assembly through an attorney must enclose a written power of attorney to their participation registration unless they already have their issued general powers of attorney (until revocation) deposited at the Company. The power of attorney must specify who is giving it and to whom it has been given, the total number of shares i.e. voting rights, the authorization to vote at the Company's General Assembly, and the signature of the shareholder who gives the power of attorney. If the shareholder is a legal entity, the excerpt from the court register or its copy must also be enclosed to the power of attorney, from which it is visible that the legal representative of the legal entity has signed the power of attorney.

The shareholder who failed to apply his intention for participation at the General Assembly in the prescribed period cannot participate to the General Assembly.

If shareholders who together hold the twentieth part of the share capital request that an item is added to the agenda and announced after the General Assembly has been convoked, they must render an explanation and decision proposal for each new agenda item. The Company must receive the request for adding a new item to the agenda at least 30 days before the holding of the General Assembly. The day a request is received by the Company is not included in this period.

The shareholders' proposals specifying their names and surnames, pursuant to Article 282 of the CA, must be made available to the persons specified in paragraphs 1 to 3 of Article 281 of the CA under circumstances specified there, providing that shareholders deliver their counterproposals at the Company address at least 14 days before the day of the holding of the General Assembly. The day on which the Company receives the proposal is not included in the 14-day period. The proposals must be made available on the Company website. If a shareholder does not exercise this right, it does not result in the loss of right to place a counterproposal at the General Assembly. This is applied to shareholders' counterproposals for the appointment of Supervisory Board members or Company's Auditor as well. Pursuant to Article 287 of the CA, upon individual shareholder's request, the Management Board is required to inform the shareholder on the Company's business if this is deemed necessary for deciding on certain items of the agenda.

The written documents for the General Assembly, the Invitation including the agenda, the participation registration form and power of attorney are available to shareholders from the Company's webpage: [www.valamar-riviera.com](http://www.valamar-riviera.com) and at the Company's registered office in Poreč, 1 Stancija Kaligari. The said

documents are available starting from the date of the publication of the invitation on the court register's website, on working days except Saturdays from 09:00 to 12:00.

If the General Assembly is without quorum, according to the provisions of Article 15 of the Statute, the next General Assembly will be held on 15 May 2019 at the Lanterna Premium Camping Resort, Lanterna Theatre Hall, Tar, Lanterna 1, starting at 12:00.

In order to register and prepare the list of participants at the General Assembly on time, the shareholders are kindly asked to arrive at least 30 minutes before the start of the General Assembly.

MANAGEMENT BOARD OF VALAMAR RIVIERA d.d.