

# VALAMAR RIVIERA

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## **HANFA – Official Registry of Regulated Information**

**Zagreb Stock Exchange**  
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Poreč, 23/03/2018  
File no.: 1-37/18

## **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), pursuant to the provisions of the Companies Act, decided on 21 March 2018 to convoke the Company's General Assembly, **that will be held on 8 May 2018** at the VALAMAR SANFIOR hotel in Rabac, 2 Lanterna, starting at 11:00.

Pursuant to the provisions of the Capital Market Act and the Rules of the Zagreb Stock Exchange, the Management Board hereby announces and submits the Invitation to the shareholders of the Company in its prescribed form with decision proposals as well as the full text of the proposed decision on 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 and the draft of the Joint Merger Plan with the prescribed reports by the management boards, auditor and Supervisory Board will also be released on the Company's website at [www.valamar-riviera.com](http://www.valamar-riviera.com), no later than the day of publication on the court register's website, pursuant to existing regulations.

Enclosure as in the text.

Valamar Riviera d.d.

Commercial Court in Pazin, Company Registry Number 040020883, VAT identification number HR36201212847; Company: Valamar Riviera Joint Stock Company for Tourism; shortened company name: Valamar Riviera d.d.; HRK 1.672.021.210,00 of shared capital, fully paid, 126.027.542 shares; Registry Number 3474771; Accounts: ADDIKO BANK d.d. Zagreb IBAN: HR 2625000091101024767, SWIFT: HAABHR22; ZAGREBAČKA BANKA d.d. Zagreb IBAN: HR 4123600001101319202, SWIFT: ZABAHR2X; ERSTE & STEIERMÄRKISCHE BANK d.d. Rijeka IBAN: HR 0624020061100389454, SWIFT: ESBCHR22; PRIVREDNA BANKA d.d. Zagreb IBAN: HR 4723400091100153498, SWIFT: PBZGHR2X; RAIFFEISEN BANK AUSTRIA d.d. Zagreb IBAN: HR 1624840081102134625, SWIFT: RZBHHR2X; SOCIETE GENERALE – SPLITSKA BANKA d.d. Split IBAN: HR 4023300031100321684, SWIFT: SOGEHR22; SBERBANK d.d. Zagreb IBAN: HR 9025030071100039991, SWIFT: VBCRHR22; ISTARSKA KREDITNA BANKA UMAG d.d. Umag IBAN: HR 7423800061110009020, SWIFT: ISKBHR2X; OTP BANKA d.d. Zadar IBAN: HR 4724070001100365752, SWIFT: OTPVHR2X; CROATIA BANKA d.d. Zagreb IBAN: HR 4824850031100284295, SWIFT: CROAHR2X; President of the Management Board: Željko Kukurin, Member of the Management Board: Marko Čizmek; President of the Supervisory Board: Gustav Wurmböck.

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 March 2018, we hereby announce the convocation and

## 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 Tuesday, 8 May 2018 at the VALAMAR SANFIOR hotel in Rabac, 2 Lanterna, starting at 11:00.**

The General Assembly will be conducted according the following

#### AGENDA:

1. Presentation of the Annual financial reports for 2017 with the Auditor's report, 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 Auditor;
3. Approval of the Joint plan of the merger of EPIC Hospitality Holding GmbH with registered office in Vienna, 8 Plößlgasse , 1040 Vienna, Republic of Austria (transferor) into Valamar Riviera d.d. from Poreč, 1 Stancija Kaligari, (transferee);
4. Remuneration of Supervisory Board members
5. Dividend payout.

#### DECISION PROPOSALS

The Management Board and Supervisory Board (the Supervisory Board for items 2 and 4) propose that the General Assembly renders the following decisions:

##### AD 1)

1a) to distribute the Company's realized profit in 2017 totaling HRK 231,979,074.09 to the Company's retained profit.

1b)

- i. to discharge the Management Board members from managing the Company's business in 2017.
- ii. to discharge the Supervisory Board members from performing the supervision of the management of the Company's business in 2017.

##### AD 2)

to appoint Ernst & Young d.o.o. from Zagreb, 50 Radnička cesta, personal identification number (OIB): 58960122779 as the Auditor of Valamar Riviera d.d. from Poreč in 2018.

##### AD 3)

to approve the Joint plan of the merger of EPIC Hospitality Holding GmbH with registered office in Vienna, 8 Plößlgasse , 1040 Vienna, Republic of Austria (transferor) into Valamar Riviera d.d. from Poreč, 1 Stancija Kaligari, (transferee) containing the following important provisions:

- 1) The parties involved in the Joint Merger Plan (hereinafter: Joint Merger Plan, the Plan or Agreement) are Valamar Riviera d.d. from Poreč, 1 Stancija Kaligari (hereinafter: Valamar Riviera d.d. or transferee) and

EPIC Hospitality Holding GmbH with registered office in Vienna, 8 Plößlgasse, 1040 Vienna, Republic of Austria (hereinafter: EPIC Hospitality Holding GmbH or transferor).

- 2) The subject of the Plan is the cross-border merger within the meaning of the Austrian EU Merger Act (*EU-Verschmelzungsgesetz*) and the Croatian Companies Act, with which the transferor is merged into the transferee pursuant to the Agreement and the relevant regulations, by transferring all its assets, including all rights and liabilities, resulting in universal legal succession.
- 3) EPIC Hospitality Holding GmbH is a company with registered office in Vienna, Austria that was established in 2017 in accordance with the existing regulations of the Republic of Austria. The members in the transferor are (i) Wurmböck Beteiligungs GmbH, commercial register number: 479879 f, with registered office in Vienna, 8 Plößlgasse, A-1040 Vienna, Austria, personal identification number (OIB): 27318626442, (ii) Goldscheider Keramik Gesellschaft m.b.H., commercial register number: 113805 k, with registered office in Vienna, 8 Plößlgasse, A-1040 Vienna, Austria, personal identification number (OIB): 93917247170 and (iii) dr. Franz Lanschützer, born on 9-10-1964, residing at Salmansdorferstraße 16/1, A-1190 Vienna, Austria, personal identification number (OIB) 56212187099.
- 4) As shareholder, the transferor holds a 44.11% (forty-four point eleven percent) stake in the transferee consisting of a package of 55,594,884 shares. This transferor's share package in the transferee shall be entirely and pursuant to legal regulations used as compensation or share exchange for the members in the transferor i.e. (i) Wurmböck Beteiligungs GmbH, (ii) Goldscheider Keramik Gesellschaft m.b.H. and (iii) dr. Franz Lanschützer, and is released and transferred to them pursuant to the ratio determined according to the size of the stake that each member individually holds in the transferor (aliquot).
- 5) Wurmböck Beteiligungs GmbH holds a 45% (forty-five percent) stake in the transferor, and in exchange it shall receive for its stake in the transferor (abolished within the merger) a total of 25,017,698 shares in the transferee and the adequate stake.
- 6) Goldscheider Keramik Gesellschaft m.b.H. holds a 45% (forty-five percent) stake in the transferor, and in exchange it shall receive for its stake in the transferor (abolished within the merger) a total of 25,017,698 shares in the transferee and the adequate stake.
- 7) Franz Lanschützer holds a 10% (ten percent) stake in the transferor, and in exchange he shall receive for its stake in the transferor (abolished within the merger) a total of 5,559,488 shares in the transferee and the adequate stake.
- 8) The transferor has no employees. All the directors are members in the transferor and their functions shall be terminated and no additional rights shall be realized when the merger becomes valid. The execution of the merger shall not influence the employees of the transferee. There shall be no changes planned in business operations neither measures related to employees. The merger shall not influence the employee representatives, workers' councils, agreements between the employer and the workers' council nor collective agreements within the transferee.
- 9) The shares released to the members of the transferor already secure a (general) right to the profit, thus Wurmböck Beteiligungs GmbH, Goldscheider Keramik Gesellschaft m.b.H. and dr. Franz Lanschützer shall have the right to participate in the profit of the transferee after the approval of the Agreement and the merger by the general assembly of the transferor and transferee. Regarding to this, there are no particular circumstances related to the right of participation in the profit.
- 10) All the transferor's actions towards the transferee are considered to be completed by 31 December 2017.

- 11) The transferee shall not bestow any rights on members holding special rights nor holders of other securities other than stakes in the company (neither to persons other than members in the transferor) and shall not pay out any compensation. The law does not provide for any measures proposed or prescribed for such persons.
- 12) The experts verifying the Agreement, third parties related to the merger and members of bodies related to the management, supervision and control at the companies that participate in the merger shall not receive special benefits.
- 13) The merger does not provide for amendments to the transferee's company statute.
- 14) The transferor and transferee have a positive market value on the day of the merger and at the time of the application to enter the merger in the court register. This is valid for the transferor even if the transferee's stake value is not taken into consideration.
- 15) The execution of the merger is based on the transferor's final annual account as at 31-12-2017 as a corporate and legal final balance (hereinafter also: final balance), from which the transferred positions of assets and receivables of the transferor and estimates are derived. Therefore, the basis for this merger transaction is the transferor's balance sheet as at 31-12-2017 as final balance. The positions of assets and receivables listed in the final balance are estimated according to the book value. The transferor will continue with this estimate.
- 16) The merger does not lead to a decrease in the transferee's share capital. The transferor and transferee are not in the process of liquidation, they are not declared insolvent and have no approved deferred payment. Furthermore, the companies involved have not applied for the commencement of the bankruptcy procedure due to the inadequate coverage of liabilities through assets nor has such an application been rejected.
- 17) From the point of view of Austrian law, the tax consequences of the merger are pursuant to regulations. The transferor does not own land or real right equivalent to land, therefore the merger does not result in the application of the Austrian or Croatian property sales tax. The merger is neutral from the perspective of the Croatian corporate profit tax, pursuant to the Corporate Profit Tax Act, and from the perspective of the Croatian value added tax the merger does not represent a taxable transaction.
- 18) Pursuant to regulations, the parties in the agreement appoint Središnje klirinško deponitarno društvo d.d. (SKDD, Central Depository and Clearing Company) as fiduciary receiving the shares that need to be released. In order to execute the provisions of the Agreement, the parties shall conclude a contract on the transfer and exchange of shares with the fiduciary, pursuant to the provisions of the Agreement.
- 19) The validity of the Agreement is conditioned by the approval of the merger by the general assemblies of the transferor and transferee. After both general assemblies grant their approval, the merger shall be submitted for registration to the competent commercial courts in Vienna and Pazin. The merger becomes valid upon its entry into the Croatian court register, after which the transferor is erased from the Austrian commercial register.
- 20) Pursuant to Austrian regulations, the Joint Merger Plan shall be concluded in the form of a notary public document.

- 21) The merger-related costs in Austria shall burden the transferor, while the merger-related costs in Croatia shall burden the transferee.

**AD 4)**

**DECISION REGARDING THE REMUNERATION OF  
SUPERVISORY BOARD MEMBERS**

I

The remuneration of Supervisory Board members shall be set as follows:

- a) monthly remuneration in the gross amount of EUR 2,000.00 (two thousand) for Supervisory Board members, and gross amount of EUR 3,000.00 (three thousand) for the Supervisory Board Chairman and Deputy Chairmen;
- b) additional remuneration in the gross amount of EUR 2,000.00 (two thousand) for each Supervisory Board meeting or Supervisory Board committee meeting
- c) additional remuneration for Supervisory Board members who perform tasks related to permanent supervision, with the consent of the Supervisory Board Chairman, in the gross amounts of: EUR 1,000.00 (one thousand) if the work lasted all day (more than 6 hours), EUR 500.00 (five hundred) if the work lasted half a day (between 3 and 6 hours), and EUR 130,00 (one hundred and thirty) per each hour of work up to three hours. Any Deputy Chairman can grant such consent to the Supervisory Board Chairman.

The Company shall reimburse all travel expenses that Supervisory Board members incur as a result of their work and include travelling from their place of residence to the place where a meeting or other work takes place (accommodation costs in a four- or five-star hotel, business class tickets for trains, buses, ships and/or airplane and/or the use of a private or company car).

All said amounts are expressed as gross amounts. The Company shall deduct and pay all taxes, surtaxes, contributions and/or other levies chargeable to such remunerations for Supervisory Board members, pursuant to the existing regulations of the Republic of Croatia. Supervisory Board members with permanent residence in the Republic of Croatia shall receive the remuneration paid in the national currency of the Republic of Croatia and calculated according to the middle rate of the Croatian National Bank on payment day.

II

This Decision shall come into force on the day immediately following the day it is passed. On the day this decision comes into force, the Decision regarding the remuneration of Supervisory board members passed at the General Assembly on 21 August 2014 shall no longer be valid.

**AD 5)**

**DECISION ON DIVIDEND PAYOUT**

I

The shareholders of the Company shall be paid a dividend of HRK 0.90 (ninety lipas) per each share.

II

The dividend shall be paid out of the retained profit achieved in 2015 and 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 Agency as at 15 May 2018 (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. Treasury shares shall be used for the payment in company shares.

### V

Those shareholders who wish to have a quarter of their dividend paid out in company shares, must have their written, hand-signed statement submitted to the Central Depository and Clearing Agency by 30 May 2018 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 company shares or whose statement will not be submitted to the Central Depository and Clearing Agency by 30 May 2018, will receive their dividend in cash.

### VII

The ex date is 14 May 2018.

### VIII

Company shareholders shall receive their dividend on 7 June 2018 (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 is equal to 124,162,665 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 at the latest, 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 **30 April 2018** 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 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 14 May 2018 at the VALAMAR SANFIOR hotel in Rabac, 2 Lanterna, starting at 11:00.

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 20 minutes before the start of the General Assembly.

MANAGEMENT BOARD OF VALAMAR RIVIERA d.d.