

Odabir ekspertne tvrtke  
**MANAGEMENT BOARD**

Av. V. Holjevca 10  
ZAGREB

Broj - No: 34.8 /10.  
Datum - Date 31.03.2010.

In accordance with the authority granted to the Management Board pursuant to Article 277 of Company Law and Article 34 of Articles of Association of INA –INDUSTRIJE NAFTE, d.d., at its 34th meeting held on 31 March 2010 the Management Board passed the decision on convening the

### GENERAL ASSEMBLY MEETING

INA –INDUSTRIJE NAFTE, d.d. ZAGREB

to be held on 18th May 2010 in Zagreb, CROATIA,  
mezzanin floor at INA - Industrija nafte, d.d. headquarters, Avenija V. Holjevca 10,  
starting at 12.00 hours.

The Assembly is to proceed according o the proposed

### A G E N D A

1. Opening of the Assembly and checking the attendance list
2. 2009 consolidated and unconsolidated financial statements with independent auditor's report, reports on performance of INA, d.d. and INA Group in 2009 and Supervisory Board report on supervision of INA's business businesses in 2009
3. Resolution on covering INA, d.d. loss of the year 2009
4. Ratification to members of the Management Board for 2009
5. Ratification to members of the Supervisory Board for 2009
6. Appointment of independent auditor for 2010
7. Management Board report on reasons of partial exclusion of priority right in the process of issuing convertible bonds and exclusion of priority right in subscription of new shares to be issued for the purpose of converting the convertible bonds
8. Decision on exclusion of priority right in subscription of convertible bonds
9. Decision on issuing convertible bonds

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INA, d.d.  
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10 002 Zagreb p.p. 555  
Hrvatska - Croatia  
Telefon - Telephone +385(1)6450000  
Faks - Fax + 385(1)6452100

Banka - Bank  
Privredna banka Zagreb d.d.  
Raiffeisenbank Austria d.d. Zagreb  
Zagrebačka banka d.d.  
HVB Splitska banka d.d.  
OTP BANKA HRVATSKA d.d. ZADAR

Adresa - Address  
Račkoga 6, 10000 Zagreb  
Petrinjska 59, 10000 Zagreb  
Paromlinska 2, 10000 Zagreb  
R. Boškovića 16, 21000 Split  
Domovinskog rata 3, 23000 Zadar

Žiro rač. - Giro acc  
2340009-1100022902  
2484008-1100619483  
2360000-1101303595  
2330003-1100204546  
2407000-1100152149  
2390001-1100337076

Trgovački sud u Zagrebu  
Commercial Court in Zagreb  
MBS: 080000604  
Uplaćen temeljni kapital – Paid capital stock  
9.000.000.000,00 kn - HRK  
Broj izdanih dionica / Nominalna vrijednost  
No. of issued shares / Nominal value  
10.000.000 / 900,00 kn - HRK  
Matični broj – Reg. No. 3586243  
OIB - 27759560625

10. Decision on exclusion of priority right in subscription of new shares;

11. Decision on conditional increase of share capital;

Management Board and Supervisory Board of INA, d.d. propose to the General Assembly to render the following decision:

**Ad 3.**

Based on approved 2009 financial statements of INA-Industrije nafte, d.d. Zagreb, it is established that in 2009 INA, d.d. recorded a loss of the year in amount HRK 631.352.336,14 which will be covered as follows:

1. retained profit in amount HRK 343.464.142,65.
2. remaining loss in amount HRK 287.888.193,49 is to be covered from other provisions.

**Ad 4.**

General Assembly ratifies the actions of the members of the Management Board in 2009.

**Ad 5.**

General Assembly ratifies the actions of the members of the Supervisory Board of INA, d.d. in 2009.

**Ad 6.**

The appointed independent auditor of INA, d.d. 2010 financial statements is **Deloitte d.o.o. Zagreb.**

**Ad 7.**

**Approval is given to the Management Board report on reasons of partial exclusion of priority right in subscription of new shares to be issued for the purpose of converting the Convertible Bonds.**

**Ad 8.**

On the basis of Article 308 of Company Law, General Assembly renders the following:

**DECISION**

**On exclusion of priority right in subscription of convertible bonds**

1. The majority shareholder of the Company, MOL Plc. and the Republic of Croatia, have the right to subscribe convertible bonds. The right of priority of the remaining shareholders of the Company to subscribe the convertible bonds is excluded.
2. This Decision comes into force on the day of adoption.

**Ad 9.**

On the basis of Article 341 paragraph 1 of the Company Law, the General Assembly renders the following:

**DECISION**  
**On issuance of convertible bonds**

1. The Company issues bonds with the right of conversion for shares in the total amount of HRK 1.500.000.000,00 kn. („Convertible Bonds“). The nominal value per Convertible Bond will be defined by the Management Board of the Company. Convertible Bonds are issued in dematerialized form.
2. Convertible Bonds, under the condition that they are fully paid, give their holder the right to convert them into ordinary shares of the Company.
3. Convertible Bonds are issued per bond for the price equal to the nominal value per bond, with maturity date to be determined by the Management Board but not later than on the 5th anniversary following subscription of Convertible Bonds. The ratio of conversion of Convertible Bonds into shares is one for one.
4. Subscription of Convertible Bonds can be conducted following the announcement on the issuance made by the Management Board of the Company, within the subscription period to be determined by the Management Board.
5. The Management Board of the Company is authorized to determine all other terms for issuance and subscription of Convertible Bonds taking into consideration interests of the Company and applicable regulations.
6. The Management Board and the Supervisory Board of the Company, within the scope of their powers and responsibilities, are authorized and responsible for implementation of this Decision.

**Ad 10.**

On the basis of Article 308 of the Company Law, the General Assembly renders the following:

**DECISION**  
**On exclusion priority right in subscription of new shares**

1. The right of priority in subscribing new shares can be used only by holders of fully paid Convertible Bonds. The right of priority of the remaining shareholders of the Company to subscribe new shares is excluded.
2. This Decision comes into force on the day of adoption.

**Ad 11.**

7.3. On the basis of Article 313 of Company Law, General Assembly renders the following:

**DECISION**  
**On conditional share capital increase**

1. For the purpose of realization of the right of the creditors of the Company to convert Convertible Bonds into ordinary shares of the Company with nominal value of HRK 900,00, the current share capital of the

Company which amounts to HRK 9.000.000.000,00 is to be increased by the aggregate amount of HRK 900,00 multiplied by the number of shares issued upon conversion of the Convertible Bonds (conditional share capital increase). Thus, the number of newly issued shares shall equal to the total number of the Convertible Bonds issued.

2. For the purpose of the share capital increase stated under point 1 hereof, the Company will issue ordinary shares of the series B in the total amount up to HRK 1.500.000.000,00 with the nominal value of HRK 900,00 per share. The shares are issued in dematerialized form. The ratio of conversion of Convertible Bonds into shares is one to one.

3. The right of priority in subscribing the shares can be used only by holders of fully paid Convertible Bonds. The subscription of shares for the purpose of conversion of Convertible Bonds has to be performed in the period starting from the date of payment of Convertible Bonds following their subscription, until 20th day preceding their maturity.

4. The share capital of the Company is increased by issuance of shares.

5. The Management Board and the Supervisory Board of the Company are authorized and responsible within their respective scope of competencies for implementation of this Decision.

6. Following realization of the conditional share capital increase in accordance with this Decision, the Supervisory Board is authorized to amend the Articles of Association of the Company in part relating to provisions on the amount of the share capital and number of shares, and to define the consolidated text of the Articles of Association.

#### Invitation to shareholders

The Company's Shareholders or custodian of such Shareholders (hereinafter referred to as „Shareholders“) in INA – Industrija nafte, d.d. listed in the Securities Register of the Central Clearance and Depository Company are invited to attend the proceedings of the General Assembly.

Each INA-Industrija nafte d.d. shareholder listed in the Securities Register of the Central Clearance and Depository Company is entitled to participate in the proceedings and vote at the General Assembly provided he/she sends to the Company at the latest on the seventh day (by 11 May 2010 at 4:00 p.m.) prior to the scheduled date of General Assembly a written **Registration Form** if the Shareholder shall attend the General Assembly proceedings in person.

In the event that a Shareholder wishes to appoint an authorized agent (proxy) to attend and vote at the General Assembly, the **Registration Form** is to be supplemented with an **Authorisation** certified by a notary public.

The **Registration Form and authorization** can be found on the Company's web site ([www.ina.hr](http://www.ina.hr)), and may also be obtained by fax on request to the Company Secretary's Office.

The **Registration Form** shall include the following particulars: Shareholder's name and surname / company name, date of birth/OIB, personal identification number, address (Company address (street – number, city, state), account number / investor's sign and the number of voting shares (1 share = 1 vote). Company Share capital is divided into 10,000,000 shares, each one share giving one vote (1 share= 1 vote).

In the **Registration Form**, the Shareholders shall state whether they are to attend the Assembly in person or via an authorised agent. In the event that a Shareholder does not wish to attend the Assembly proceeding in person and wishes to assign the right to attendance and vote to an authorised agent, the Shareholder shall include a valid authorisation to this effect, certified by a notary public.

The **Authorisation** shall include the following particulars of the **shareholder**: Shareholder's name and surname, date of birth, address (street – number, city, state), account number / investor's sign and the **text** of the authorisation (authorisation to vote on Shareholder's behalf) stating that the authorised agent is entitled to attend and vote on behalf of the issuer on all items in the Agenda. The **Authorisation** is to be certified by a notary public. Authorisation will be valid only for this general meeting, however, it will be also valid at the repeated general meeting, if any, reconvened due to lack of quorum.

If the authorisation is issued by a legal entity, it shall be signed by the duly authorised representative(s), and shall be certified by a public notary. The **Authorisation** shall include the following particulars of the **authorised agent**: name and surname, and the number of identification document to be presented before attending the General Assembly. If the Registration Form or the Authorisation is not prepared in Croatian, a Croatian translation certified by an official court interpreter shall be attached.

The **Registration Form**, either for attendance in person or via an authorised agent, shall be delivered in person or via registered mail seven days at the latest prior to the scheduled date of the Assembly (by 4 p.m. on 11 May 2010) at the address:

**INA - INDUSTRIJA NAFTE, d.d.**  
**Company Secretary's Office**  
**ZAGREB, Avenija V. Holjevcica 10**  
**Fax: +385 1/6452-103; Tel: +385 1/6450-103**  
**"For the General Assembly of INA, d.d."**

A certified authorisation delivered in person or via registered mail to the above address at least seven days prior to the date of the scheduled General Assembly (by 4 p.m. 11 May 2010) shall be deemed duly received.

Voting shall be performed in electronic way. The voting procedure shall be explained as part of item 1 of the Agenda.

Materials pertaining to the individual items on the Agenda shall be available to all interested Shareholders in the Company's premises, at the address stated above, starting from the day of publication of this invitation, from 10 a.m. to 3 p.m. on working days.

In case of holders of depository receipts (DRs) issued pursuant to a foreign law, Citibank N.A. as the issuer of such DRs, shall be entitled to exercise rights of representation. Holders of DRs will be entitled to exercise their voting rights by a Letter of Proxy issued in favour of Citibank as the depository, in accordance with the Articles of Association of the Company, the Deposit Agreement and applicable laws. We request the DR holders to obtain information on the detailed rules of procedure at the Citibank's Customer Service.

INA shall have no liability for the performance of, or the failure to perform, in accordance with the instructions given to securities account holder.

Registration of the participants in the General Assembly shall take place on 18 May 2010, between 10:00 a.m. and 11:30 a.m., at the entrance to the mezzanine hall of INA headquarters building, Av. V. Holjevcica 10, 10000 Zagreb.

The Shareholders (or their authorized agents) are kindly requested to register within the time stated above, as after 11.30 am registration shall not be possible. We request our shareholders to kindly report for registration in time. After the closing of the registration, those shareholders and authorized agents or nominees, who are not listed in the attendance list but registered in the share register, are entitled to participate at the general meeting but cannot exercise their voting rights.

The general meeting shall have a quorum if the holders of shares representing more than half of the voting rights are present. In the event of a lack of quorum for the Assembly scheduled for 12 a.m., the Assembly shall be convened at 2 p.m. on the same day and in the same premises with the same agenda. Such repeatedly convened general

meeting shall have a quorum for issues originally put on the agenda irrespective of the number of the shareholders present or represented.

The official language of the general meeting is Croatian; the Company will provide simultaneous Croatian-English translation.

This announcement is published in Croatian and in English. The official text of this announcement is in Croatian only.

**PRESIDENT OF THE BOARD OF INA, d.d**

**Laszlo Geszti**

NOTICE OF ATTENDANCE  
(Please fill in using block letters)

Shareholder's name and surname:  
Name of company (for legal persons):

\_\_\_\_\_

Date of birth:  
Company ID (for legal persons):

\_\_\_\_\_

Address:  
Registered office (for legal persons):

\_\_\_\_\_

(Street name and number, place, country)

Shareholder's account number (for all):

\_\_\_\_\_

I hereby advise of my intention to attend the Annual General Meeting of INA-Industrija nafte, d.d. Zagreb,

to be held on

\_\_\_\_\_

(Date of the shareholders' meeting)

I will attend the meeting \_\_\_\_\_ in person/ by proxy/through authorised corporate representative  
(Put a circle)

and I will vote with \_\_\_\_\_ shares.

(Number of shares)

In \_\_\_\_\_ on \_\_\_\_\_

(Place)

(Date)

Shareholder's signature:

\_\_\_\_\_

PROXY FORM

EXTRAORDINARY GENERAL MEETING

1. Shareholder's name and surname  
Company name

2. Date of birth  
Company ID number (for legal persons)

3. Home address  
Registered office (for legal persons)

4. Account number (investor's ref.number) (for all)

5. Total number of shares

I hereby authorise

1. Proxy's name and surname  
Proxy's company

2. Proxy's place of residence/  
registered office

3. Address

4. Proxy's date of birth  
Company ID number (for legal persons)

As my/our true and lawful attorney to send in my/our name the Notice of Attendance for the Annual General Meeting of **INA – INDUSTRIJA NAFTE d.d. Zagreb, Av. V. Holjevcica 10**, shareholders to be held in Zagreb on 18 May 2010, and to represent me/us at that General Meeting, to participate in it on my/our behalf and to vote as my/our proxy on all resolutions to be passed at the meeting on the basis of shares held by me/us. This proxy is also valid for any adjournment of the EGM if not held at 12:00 on 18 May 2010.

Signed

In Zagreb on \_\_\_\_\_

\_\_\_\_\_