

**REPUBLIC OF CROATIA
PUBLIC NOTARY
IVAN PARLOV
ZAGREB, OZALJSKA 21**

In Zagreb, 5 July 2008 (the fifth of July twothousandandeight)

I, Public Notary, Ivan Parlov from Zagreb, Ozaljska 21, have drawn up this

M I N U T E S

of the regular General Shareholders' Meeting of DALEKOVOD, Ulica grada Vukovara 37, registered at the Commercial Court in Zagreb, under Taxpayer's Ref. Number 080010093, that was held on 5 July 2008 (the fifth of July twothousandandeight) at the headquarters of the Company, in Zagreb, Marijana Čavića 4.

The General Shareholders' Meeting was opened by Mr. Marko Kozina, President of the Shareholders' Meeting (hereinafter: President of the Shareholders' Meeting) at 10.00 a.m.

He has notified the shareholders about the fact that Mr. Ivan Parlov, Public Notary in Zagreb, shall be present at the Shareholders' Meeting and that he shall draw up the Minutes of the Meeting.

Convocation of the General Shareholders' Meeting, the agenda, and the draft decisions that shall be discussed and reached at the Shareholders' Meeting were published in the Official Gazette No. 58/08 of 21 May 2008.

Then the following published **A G E N D A** was presented:

- 1 Opening of the General Shareholders' Meeting
 - a) Verification of applications, authorizations and establishment of representation of initial capital
 - b) Confirmation that the General Shareholders' Meeting has been properly convoked and that the decisions can be reached properly.
- 2 Annual reports of the Company for the year 2007
 - a) Reports of the Company on the condition of the Company
 - b) Report of the Company Auditor

- c) Report of the Supervisory Board on the performed supervision over management of business operations of the Company
 - d) Annual financial report and Consolidated financial report for the year 2007
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- 3 Decision on use of profit for the year 2007
 - 4 Granting discharge to Members of the Management Board for the year 2007
 - 5 Granting discharge to Members of the Supervisory Board for the year 2007
 - 6 Election of the Company's Supervisory Board Member
 - 7 Notification about treasury shares
 - 8 Decisions on acquisition of treasury shares
 - 9 Amendments of the Company's Articles of Association
 - 10 Election of the Company's Auditor for the year 2008
 - 11 Election of the President and Deputy President of the Company's Shareholders' Meeting

Agenda Item 1 a) and b)

The President of the General Shareholders' Meeting has established that all present shareholders and authorized persons or representatives of shareholders that take part in this General Shareholders' Meeting have applied for participation in the sitting of the General Shareholders' Meeting in compliance with the regulations of the Articles of Association and that the present authorized persons have established their identity by presenting valid authorizations for representation and participation in the sitting of the Shareholders' Meeting.

The President of the Shareholders' Meeting has explained to the present shareholders how voting on particular agenda items shall be carried out, i.e. that voting shall be carried out in public, by lifting voting papers with indicated number of shares, or number of votes of each particular shareholder, or his accredited representative, provided that voting on granting discharges to the Members of the Management Board and Supervisory Board shall be carried out jointly, and provided that members of the above entities cannot vote for themselves (Art. 293, Paragraph 1 of the Company Law).

Agenda Item 2 a)

The President of the Shareholders' Meeting has invited the President of Management Board, Mr. Luka Miličić, to submit a report with regard to this Agenda item, while in the meantime a detailed list of participants at this Shareholders' Meeting is completed, i.e. until the representation of the initial capital, or the number of shares, or votes, is established at the Shareholders' Meeting.

In the name of the Management Board, Mr. Luka Miličić, President of Management Board, has submitted a report on the condition of the Company, namely about the business operations of the Company in the fiscal year 2007, in which he pointed out that best results of the Company so far in all field of operation and activities has been established.

Agenda Item 2 b)

Within the framework of this Agenda Item, President of the Shareholders' Meeting has read the Report on conducted auditing of the Company for the year 2007.

Then, the President of the Shareholders' Meeting has informed the participants, on the basis of the Report of the Credentials Committee, that there are 2,268,573 voting shares from the total number of shares amounting to 2,293,812, and that there are 1,269,888 shares, or votes, present at the Shareholders' Meeting, which amounts to 55.98%,; therefore, following the above, there is a quorum, in other words all decisions reached at this Shareholders' Meeting shall be legal and valid.

At the same time, he informed the shareholders that a List of participants at this Shareholders' Meeting has been established, and he invited the above to get insight in the above documents before the first voting.

Agenda item 2 c)

The President of Supervisory Board, Mr. Marijan Pavlović has submitted a Report on the performed supervision over the business operations of the Company in the year 2007 and on the operations of the Supervisory Board of the Company as well.

Then the President of the Shareholders' Meeting has opened the floor for debate, and as nobody has applied for the debate, he put the draft decision related to adoption of the report of the Supervisory Board of the Company for the year 2007 to the vote.

After performed voting, the President of the Shareholders' Meeting has informed the participants about the voting results.

1,269,888 votes have been in favor of adoption of the decision. No vote was against, and there were also no abstaining votes.

On the basis of the voting results, the President of the Shareholders' Meeting has established that the Shareholders' meeting has accepted and reached the following

DECISION

The Report of the Supervisory Board of the Company about performed supervision of the performance of business operations of the Company in the year 2007 has been adapted.

Agenda Item 2 d)

Report about this Agenda Item has been submitted by Mrs. Tea Martinčić, Director of Finance and Accounting.

In the open debate on financial reports, nobody asked to speak.

Agenda Item 3

Report on this Agenda Item has been submitted by Mrs. Tea Martinčić,

In the open debate about the draft decision on use (allocation) of profit, nobody asked to speak.

Then the President of the Shareholders' Meeting put the draft decision on profit allocation to the vote.

After performed voting, the President of the Shareholders' Meeting reported on the voting results. 1,269,888 votes were in favor of adoption of the decision. No vote was against, and there were no abstaining votes as well.

On the basis of the voting results, the President of the Shareholders' Meeting has established that the Shareholders' meeting has accepted and reached the following

DECISION
on allocation of profit

Article 1

It is established that gross profit for the fiscal year 2007 shall amount to **kn 100.762.606,76** (say: one hundred million seven hundred and sixty-two thousand six hundred and six kunas and seventy-six lipas).

Article 2

It is established that net profit shall amount to **kn 79.198.260,02** (say. seventy-nine million one hundred and ninety-eight thousand two hundred and sixty kunas and two lipas).

Article 3

Net profit as laid down in Article 2 herein shall be allocated to statutory reserves to the amount of **kn 49.785.546,92** (say. forty nine million seven hundred and eighty-five thousand five hundred and forty-six kunas and ninety-two lipas).

For all payments to be effected to Supervisory Board Members, in accordance with Art. 62 of the Company's Articles of Association, an amount of 0.5% annual net profit, i.e. **kn 395.991,30** (say: three hundred and ninety five thousand nine hundred and ninety one kunas and thirty lipas) shall be allocated to statutory reserves.

Article 4

The General Shareholders' Meeting shall authorize the Company's Management Board to effect, in case of any justified requirement, a change of allocation of funds as laid down in Art 3 herein, in such a way as to allocate them to other reserves in compliance with limits prescribed by the law and the Company's Articles of Association.

Article 5

It is established that the remaining net profit after allocation for purposes as stipulated in Art 3 herein shall amount to **kn 29.016.721,80** (say: twenty-nine million sixteen thousand seven hundred and twenty one kunas and eighty lipas).

Article 6

The remaining profit to the amount of **kn 29.016.721,80** (say. twenty nine million sixteen thousand seven hundred and twenty one kunas and eighty lipas) shall be allocated for payment of dividends.

Article 7

Dividend per one regular share of nominal value of 100 kunas shall amount to **kn 12,65** (say. twelve kunas and sixty-five lipas).

Article 8

Legal and natural persons that are recorded in the Share Ledger at the Central Depository Agency on the day of emergence of a claim for payment of a dividend shall be entitled to payment of a dividend.

Article 9

The date of emergence of claims is considered to be the 30th day upon reaching the Decision on Allocation of profit and payment of dividend by the Shareholders' Meeting, and the above shall be due upon expiry of the 30-day period.

Agenda Item 4)

The President of the Shareholders' Meeting has opened the debate on this Agenda Item. Nobody has asked to speak, so the President of the Shareholders' Meeting put the draft decision of the Management Board and Supervisory Board of the Company to the vote. The decision refers to approval (granting discharge) to the Company Management Board for conducting business operations in the year 2007.

There have been 1,269,888 votes in favor of the draft decision. No vote was against granting discharge to the Members of the Management Board. Also there have been no abstaining votes.

On the basis of the voting results, the President of the Shareholders' Meeting has established that the Shareholders' Meeting has accepted and reached the following

DECISION

Activities of the Management Board have been approved and the Management Board Members have been granted discharge for management of Company's affairs in the year 2007.

Agenda Item 5)

The President of the Shareholders' Meeting has put forward a proposal on this Agenda Item and opened the debate.

As nobody has asked to speak, Mr. Marko Kozina read the draft decision, which refers to approval and granting discharge to the Company Supervisory Board for conducting business operations in the year 2007.

After performed voting, the President of the Shareholders' Meeting reported on the results on voting. There have been 1,269,421 votes (467 votes of the Supervisory Board excluded) in favor of the draft decision. There have been no votes against granting discharges to the Members of the Supervisory Board. There have also been no abstaining votes.

On the basis of the voting results, the President of the Shareholders' Meeting has established that the Shareholders' meeting has accepted and reached the following

DECISION

Activities of the Supervisory Board have been approved and the Supervisory Board Members have been granted discharge for performed supervision over management of Company's affairs in the year 2007.

Agenda Item 6)

The report and decision with regard to this Agenda Item has been submitted by the President of the Supervisory Board, Mr. Marijan Pavlović.

Namely, the previous Member of the Supervisory Board, Mr. Gordan Mirošević has submitted a withdrawal of membership, so it is necessary to elect a new member. Thus it has been suggested that Mr. Dinko Markovljević should be the new member of the Supervisory Board.

After performed voting, the President of the Shareholders' Meeting reported on the results on voting. There have been 1,269,888 votes. There have been no votes against granting discharge to the Member of the Management Board. Also, there have been no abstaining votes.

On the basis of the voting results, the President of the Shareholders' Meeting has established that the Shareholders' meeting has accepted and reached the following

DECISION

I

Dinko Markovljević from Gunje, Bana Josipa Jelačića 30, born on 23 Sep 1973, Personal Identification Card No. 15549332 issued by MUP Županja shall be elected to fill a vacant seat of a Supervisory Board Member.

II

The term of office of Mr. Dinko Markovljević shall last until expiry of the term of office of the present Supervisory Board Members.

III

The Decision shall become effective as of the Closure of this General Shareholders' Meeting.

Agenda Item 7

Notifications on this Agenda Item have been submitted by the President of the Shareholders' Meeting, Mr. Marko Kozina, along with a note that the Company's treasury shares shall be alienated, as appropriate.

Agenda Item 8

The Draft decision with regard to this Agenda Item has been submitted by Mr. Marko Kozina. Nobody asked to speak, so the President of the Shareholders' Meeting put forward the above draft decision to vote.

After performed voting, the President of the Shareholders' Meeting reported on the results on voting. There have been 1,269,888 votes. No vote has been against and there have been no abstaining votes as well.

On the basis of the voting results, the President of the Shareholders' Meeting has established that the Shareholders' meeting has accepted and reached the following

DECISION
on acquisition of treasury shares

Article 1

The Management Board is authorized to acquire treasury shares depending on the financial situation of the Company and if there are any justified reasons for that.

Article 2

The shares acquired in accordance with this Decision together with treasury shares already owned by the Company may not surpass ten per cent (10%) of the Company's initial capital.

Article 3

The highest or the lowest price shall be the market price of acquisition of shares on the organized market of the securities.

The price mentioned in the previous Paragraph shall mean the price within the framework of future stock exchange prices of Company shares at the moment of approval of acquisition of the above shares.

Paragraph 1 and 2 herein shall also apply accordingly to acquisition of shares outside the organized market of securities.

Article 4

Authorization for acquisition of treasury shares shall be valid at most 18 months reckoning from Conclusion of the General Shareholders' Meeting.

Article 5

The Management of the Company Board shall, due to reasonable reasons, be authorized to withdraw its treasury shares, taking into account not to incur damage to Company's shareholders and creditors.

b)

DECISION

by which the Company Management Board and the Management Boards of Companies that are dependable on Dalekovod d.d. Zagreb are authorized to acquire treasury shares

I

The General Shareholders' Meeting shall, pursuant to Article 233 of the Company Act authorize the Company's Management Board to acquire treasury shares until their nominal value reaches one-tenth the Company's initial capital. The General Shareholders' Meeting shall, pursuant to Art. 237 of the Company Act and according to corresponding application of Art. 233 of the Company Act, authorize the Management Board to delegate the Management Boards of companies that are dependable of the Company Dalekovod d.d. Zagreb to acquire the shares of Dalekovod d.d. until their nominal value, together with the nominal value of shares hold directly by Dalekovod d.d. Zagreb, reaches one-tenth of the Company's initial capital.

II

The authorization as laid down in the previous Article herein shall be valid for the period of 18 months, reckoning from the date of reaching the decision by the General Shareholders' Meeting, by which the Management Board shall be authorized to acquire treasury shares pursuant to Art. 233 of the Company Act.

III

The Management Board and Management Boards that are dependable on Dalekovod d.d. Zagreb are obliged to pay treasury shares, at the most, at the average stock exchange price on the day of acquisition of treasury shares. Further, the Management Board and Management Boards that are dependable on Dalekovod d.d. Zagreb are authorized to acquire treasury shares also outside the stock exchange provided that they are obliged to respect the shareholders' equity principle.

Agenda Item 9

President of the Supervisory Board has put forward a draft decision on amendments of the Articles of Association. As nobody has asked to speak, President of the Shareholders' Meeting put the draft decision to vote.

After performed voting, the President of the Shareholders' Meeting reported on the results on voting. There have been 1,269,888 votes. There have been no votes against and there have been no abstaining votes as well.

On the basis of the voting results, the President of the Shareholders' Meeting has established that the Shareholders' meeting has accepted and reached the following

DECISION on amendments of Articles of Association

Article 1

Article 2, Paragraph 5 shall be amended so that it reads now as follows:

The Company shall have its own stamp that includes the name of the Company. The form and size of the stamp of the Management Board shall be established and regulated by a special decision.

The stamp shall be used in legal traffic in compliance with the law.

Article 2

Article 5 shall be amended in such a way that new activities shall be added after the last activity marked with an asterisk:

20 Construction of buildings:

20.1 Construction works - new buildings, extension, raising, reconstruction

21 Engineering structures - civil engineering and infrastructure:

21.1 Bridges, tunnels, pedestrian underpasses, viaducts, shafts, railways, underground railways, elevated motorways

22.2 Pipelines (underwater pipelines-cables, main road pipelines and distribution systems, gas pipelines, oil pipelines and distribution systems), cables, infrastructure facilities designed for transmission of electric power, transport of energy sources, water and telecommunication signals, water pipelines, telecommunication and electric power lines (construction of transmission lines of 110 kW and higher)

24.4 Other engineering structures (sports grounds, play grounds, drainage and sewage, substations and switchgears of all voltages, structures for production of electric power, aerial cableways)

25.5 Motorways, roads, railways and airport runways - heliports

26.6 Ports, waterways, partition walls, embankments and other water structures (dams and dikes)

1 Construction of buildings:

1.1 Monolithic concrete structures

1.2 Structures made up of prefabricated concrete elements

1.3 Steel structures

1.4 Wooden structures

1.5 Masonry structures

5 Engineering structures, civil engineering and infrastructure:

5.4 Steel structures

5.5 Wooden structures

6. Construction of pavements:

6.5 Road equipment

7. Construction of railways.

7.2 Superstructure

7.3 Repairs and maintenance

8 Tunnels and underground structures:

8.3 Installation of protection, tunnel equipment (esp. video supervision, ventilation, signalization, internal communication systems, alarm systems, etc.)

8.4 Shafts and pits

9 Hydro power works:

9.1 Works on the existing dams and dikes

9.2 Extraction of gravel and sand - regulation works

9.5 Works on the existing underwater pipelines

10 Drainages and pipelines:

10.2 Works on the existing main road pipelines and distribution systems

10.3 Works on the existing gas pipelines, oil pipelines and distribution systems

10.4 Works on the existing drainage and sewage

11. Demolition works:

11.1 Demolition of buildings and facilities

11.2 Demolition of buildings and facilities by heavy mechanization

11.3 Demolition of contaminated material

11.5 Drilling and cutting

12. Earthworks

12.1 Excavation and carting off

12.2 Relocation of excavated soil

12.3 Filling and backfilling

13 Geotechnical works:

13.1 Trial drilling and sounding of terrain for construction

13.2 Pile foundation

13.3 Retaining walls

13.4 Anchoring

- 13.5 Soil stabilization
- 13.6 Drainage
- 13.7 Foundation propping
- 14 Physical planning, sports grounds, play grounds:
 - 14.2 Physical planning
 - 14.3 Fencing
- 15 Temporary civil engineering works that require special performance and equipment:
 - 15.1 Heavy erection works (installation of tracks for cranes and placing)
 - 15.2 Placing of scaffolds
 - 15.3 Cranes on the construction site
 - 15.4 Platforms and pedestals
 - 15.5 Supporting structures, formworks
- 16. Electrical installations and installations up to 1 kV:
 - 16.1 In buildings and industrial facilities
 - 16.2 Safety systems
 - 16.3 Fire alarm systems
 - 16.4 Control systems for industrial processes
 - 16.5 Underground conductors for distribution power, public lighting and traffic control
 - 16.6 Upper conductors for distribution power, public lighting and traffic control
- 17. Electrical installations and installations ranging from 1 kV to 36 kV:
 - 17.1 Industrial installations
 - 17.2 Upper conductors
 - 17.3 Underground conductors for power distribution
 - 17.4 Installation of public lighting
- 18 Electrical installations and installations over 36 kV:
 - 18.1 Industrial installations
- 19 Installation of communications:
 - 19.1 Communication systems for buildings and industrial facilities
 - 19.2 Installations for computer networks and exterior equipment
 - 19.3 Infrastructure installations for communications
 - 19.4 Upper cables for communication infrastructures
- 2 Final construction works on buildings, interior and exterior,
 - 2.1 Carpenter's - roofing works
 - 2.2. Humidity insulation
 - 2.10 Glass works
 - 2.11 Plastering
 - 2.12 Installation of partition walls
 - 2.18 Decorative metal works
 - 2.20 Sheet-metal works
 - 2.21 Anti-corrosive protection
- 4 Installation and insulation works:
 - 4.1 Sanitary devices
 - 4.2 Heating and cooling
 - 4.3 Ventilation and air-conditioners
 - 4.4 Fire protection
 - 4.5 Thermal insulation

- 4.6 Escalators
- 4.7 Gas installation
- 4.8 Internal sewage
- 4.9 Waste removal devices
- 20.2 Mechanical installations in buildings

Specialized works:

- * Construction and installation of facilities and lines of all voltage levels for production, management, transfer and distribution of electric power
- * Electrical fitting works on electric power facilities, on facilities for lighting of roads and railways and industrial facilities and sports grounds
- * Electric traction of railway lines with the accompanying aerial cableways for public traffic
- * Laying of submarine and underground cables of all types and voltages

Article 3

Article 8 shall be amended in such a way that Paragraph 2 and Paragraph 3 shall be deleted, Paragraph 4 shall become Paragraph 2, and Paragraph 5 shall become Paragraph 3.

Article 4

Article 15 shall be changed in such a way that words in Paragraph 1 and Paragraph 2 “Share Ledger” shall be replaced by words “Share Register”

Article 5

Article 16, Paragraph 2 shall be amended in such a way that words “Paragraph 1, Art. 7 and Paragraph 3” shall be deleted.

Article 6

Article 17 shall be amended in such a way that Paragraph 3 and Paragraph 4 shall be deleted.

Article 7

Article 18a, Paragraph 2 shall be amended in such a way that words “pursuant to Article 504, Paragraph 5 of the Company Act” shall be replaced by words “pursuant to Article 504, Paragraph 2 of the Company Act”.

Article 8

Article 28, Paragraph 2, shall be amended in such a way that after words “jointly and severally” words “according to the Rules of Procedure of the Management Board” shall be added.

Article 9

Article 41 shall be amended in such a way that Paragraph 7 and Paragraph 10 shall be deleted, and Paragraph 8 and Paragraph 9 that shall now become Paragraph 7 and Paragraph 8, shall be amended in such a way that they now read as follows:

- (7) Monthly net compensation for Supervisory Board Members shall amount to kn 2.500,00 (say: two thousand five hundred kunas)
- (8) Monthly net compensation for the President of Supervisory Board shall amount to kn 3.500,00 (say: three thousand five hundred kunas)

Article 10

Article 43, Paragraph 2, shall be amended and it reads now as follows:

2 “about joint venture agreements that might be of “contractual” or “investment” type when the value of transactions being the subject matter of the contract surpasses 50 per cent (50%) of the Company’s initial capital”.

Article 11

Article 43, Paragraph 3 shall be amended in such a way that words “ten per cent” shall be replaced by words “50 per cent (50%) and Paragraph 4 shall be amended in such a way that words “20 per cent” shall be replaced by words “50 per cent (50%), Paragraph 5 shall be amended and it reads now :

5 “placing a lien or fiduciary right on general estate and other means of insurance of claims, as e.g. bills of exchange, debentures etc., if the amount of claims to which the lien or assigned right or any other insurance means refers to should surpass the amount of 50 per cent (50%) of the Company’s initial capital”.

A new Paragraph 6 shall be added and it reads as follows:

- 6 “issuing of guarantees, collaterals and similar for other legal persons, if the amount of guarantees, collaterals and other means of insurance should surpass 50 per cent (50%) of the Company’s initial capital”.

After each word “capital” a word “Company” shall be added.

The previous Paragraph 6 shall become Paragraph 7.

Article 12

Article 46, Paragraph 3 shall be amended in such a way that words “by Article 30,42,64,64a and 64b” shall be deleted.

Article 13

Article 48 shall be amended so that Paragraph 2 shall be deleted.

Article 14

Article 52, Paragraph 5 shall be amended and it shall read now as follows:

“Compensation for work of the President of the General Shareholders’ Meeting per each session held shall amount to net kn 10.000,00 (say: ten thousand kunas). In case of Paragraph 4 herein, the compensation shall be paid to the Deputy President of the General Shareholders’ Meeting”.

Article 15

Article 53, Paragraph 3 shall be amended in such a way that Section 1 and 2 shall be deleted, previous Sections 3, 4, 5 and 6 shall now become Sections 9, 10, 11 and 12, and new Sections shall be added from 1 to 8 and they read as follows:

- 1 He shall decide on the sequence of agenda items that shall be subject of discussions and voting, and he is not obliged to follow the sequence of the issued and supplemented invitation.
- 2 He shall decide freely on whether discussion shall proceed from one agenda item to another or whether several agenda items shall be discussed or whether all agenda items shall be discussed at once or whether voting shall take place after discussing decisions on one agenda item after another or after discussing decisions on several agenda items at once or at the end of discussions of all agenda items.

- President of the General Shareholders' Meeting shall be bound only to follow the sequence prescribed by the law as e.g. when discussion of granting discharge must be carried out simultaneously with the discussion of profit allocation.
- 3 He shall decide on arrangement of voting according to the contents of the decision, by taking into account its dependence on or connection with the other decision.
 - 4 He shall decide on putting the proposals to the vote at his own discretion, following legal restrictions in this matter, by taking care that decisions in procedural issues shall be reached before decisions in substantive law issues, and when voting on one proposal, in the nature of things, should take place before voting on another proposal.
 - 5 He shall be authorized to withhold votes on proposals that are obviously illegal, inappropriate or in which rights might be abused at the General Shareholders' Meeting.
 - 6 When participants in the discussion put their proposals and questions to the Management Board, then the President of the General Shareholders' Meeting shall, at his own discretion, evaluate whether the Management Board shall immediately answer the questions, one by one, as posed by the participants or whether he shall, after the concluded discussion, summon the Management Board to answer all the questions asked at once.
 - 7 He shall be authorized to limit the time of exercise of shareholders' rights with regard to posing questions and discussing issues.
 - 8 He shall decide on the duration of asking questions together with explanations and allegations together with explanations at the beginning of the Shareholders' Meeting".

Article 16

Chapter X shall be amended and it shall read now as follows:

ANNUAL REPORTS ON THE STATE OF THE COMPANY AND ANNUAL FINANCIAL REPORTS

Article 17

A new subtitle shall be added after Chapter X that reads now as follows:

ANNUAL REPORTS ON THE STATE OF THE COMPANY

Article 18

The Article 58 b shall be added after Article 58 a, and it reads now as follows:

The annual report on the state of the Company shall comprise all important business transactions and events that have occurred upon expiration of a fiscal year, anticipated development of the company in future, operations of the company in the filed of research and development, notification about acquisition of Company's treasury shares, existence of Company's subsidiaries, data on application of financial instruments and data that are relevant for evaluation of the Company's assets, its obligations, financial state, profit and loss, financial risk and policy management goals, including also the policy of taking safety measures against loss in particular important types of anticipated works, that are recorded separately in accounting as Company's exposure to the price risk, credit risk, liquidity risk and cash flow risk. A Statement on observance of the Corporate Management Code as laid down in Article 272 of the Company Act must be available to the public.

Article 19

A new subtitle shall be added after Article 58.b and it reads now as follows:

ANNUAL FINANCIAL REPORTS

Article 20

Article 59, Paragraph 2 shall be amended in such a way that after the words "in compliance with" the following words shall be added "Accounting Act, Company Act, MRS and MSFI".

Article 21

Article 60 shall be amended in such a way that after words "legal reserves" words "capital reserves" shall be added.

Article 22

Article 61 shall be amended in such a way that after words "legal reserves" words "capital reserves" shall be added.

Article 23

A new Article 61.a shall be added after Article 61 that now reads as:

1) Only those amounts that are a result of the net profit of the fiscal year can be included in the reserves created from profit, or from the transferred profit of the fiscal year or profits from previous years.

Article 24

Article 62, Paragraph 1, shall be amended in such way that Sections 6 and 7 shall be added after Section 5, which now read as follows:

- 6 acquisition of treasury shares;
- 7 increase of initial capital

Article 25

Article 62, Paragraph 2 shall be amended in such a way that after words “legal reserves” words “and capital reserves” should be added.

Article 26

A new subtitle shall be added after Article 63 that now reads: “Legal reserves and capital reserves” and a new Article 63.a shall be added that reads as follows:

Article 63a

- 1) The Company is obliged to allocate 20% of the profit of the current year, decreased by the amount of loss from the previous year, to the legal reserves until the above reserves together with the capital reserves (bound reserves) reach the amount of (5%) of the Company’s initial capital or a larger portion of that capital as set out by the Articles of Association.
- 2) The Company shall allocate the following to the capital reserves:
 - 1 a portion of the paid-in amount for which shares are issued, that surpasses the nominal value of the shares, and if the shares are issued without the nominal value then the amount that surpasses the book value of the initial capital referring to the shares,
 - 2 a portion of the amount that has been paid to the Company for acquisition of convertible bonds or bonds with an option for purchase of shares that surpasses the nominal value of the issued bonds,
 - 3 an amount by which the initial capital is simply decreased in order for the funds to be allocated to the capital reserves.

- 3) Legal reserves and capital reserves that do not surpass the amount as laid down in the previous Paragraph of this Article may be used:
 - 1 for covering the losses of the current year, if they have not been covered by the profit of the previous year or if they cannot be covered by using other reserves,
 - 2 for covering the losses of the previous years, if they have not been covered by the profit of the current year or if they cannot be covered by using other reserves.
- 4) A portion of legal reserves and capital reserves that surpass the amount as laid down in Paragraph 1 of this Article may be used for:
 - covering the losses of the current year, if they have not been covered by the profit of the previous year,
 - for covering the loss of the previous year, if that have not been covered by the profit of the current year,
 - for increasing the initial capital from the Company' funds.
- 5) Legal reserves and capital reserves may not be used for purposes as laid down in Section 1 and 2 of this Paragraph, if Company' reserves are simultaneously used for payment of dividends.

Article 27

A new subtitle shall be added after Article 63.a: „Statutory reserves, reserves for treasury shares and other reserves“, and new Articles 63.b, 63.c and 63.d shall be added and they read as follows:

Article 63.b

- 1) Statutory reserves shall amount up to 20% of the Company's initial capital.
- 2) A portion of the net profit amount, decreased by an amount used for covering the transferred loss, an amount included in the legal reserves and an amount included in the reserves for treasury shares if any, that has been assigned for acquisition of statutory reserves in a particular fiscal year, shall amount to 20% of net profit.

Article 63.c

If the Company has acquired treasury shares in the fiscal year, than the Company has to include the amounts that are equal to the amounts paid-in for acquisition of treasury shares during that year in the reserves for the above shares. They have been presented on the asset side of the balance sheet. Further, statutory reserves amounts may be also

included in the above reserves, if it has been stipulated by the Articles of Association that they might be used for that purpose, as well as amounts from other reserves that surpass the amounts of the transferred loss that could not be covered from the net profit of the fiscal year. Reserves for treasury shares may be annulled only in case of seizure or withdrawal of shares, or decreased by the amount which surpasses the amount of the lower expressed value of treasury shares on the assets side of the balance sheet.

Article 63.d

Other reserves may be used for any purpose, and especially for purposes for which legal reserves, capital reserves are used, for covering the differences between the nominal share and nominal convertible bond, withdrawal, and for other purposes that are not stipulated in advance by these Articles of Association, and for which no decision of the General Shareholder's Meeting is required, as well as for purposes that are established by a special decision of the General Shareholder's Meeting.

Article 28

Article 64 shall be amended and it reads now:

- 1) Net profit realized in the fiscal year, shall be used by the Company in the following sequence:
 - 1 for covering the losses transferred from previous years;
 - 2 for including in the legal reserves,
 - 3 for including in the capital reserves,
 - 4 for including in the reserves for treasury shares,
 - 5 for including in statutory reserves
 - 6 in other reserves
 - 7 for distribution to shareholders (dividends).
- 2) The corresponding remaining portion of net profit may be allocated for other purposes as well (for example for payments to employees, members of the Management Board, Supervisory Board, etc)

Article 29

Article 64.b shall be amended in such a way that instead of words „from Article 64.Parag.3“ words shall be added: “from Article 64, Parag. 2“.

Article 30

Article 64.c, Paragraph 3, shall be supplemented in such a way that after words „in matters“ words „and rights“ shall be added.

Article 31

After Article 64.c, Article 64.d shall be added and it reads as follows:

By reaching a decision on allocation of the profit, the General Shareholder's Meeting shall define the date from when onwards the shareholders may claim payment of the dividend, and the maturity date of these claims.

The maturity day of claims with reference to payment of dividends must be established in such a way that maturity date should be within 30 days reckoning from the day of reaching the Decision on allocation of profit.

In the Decision on allocation of profit also the maturity date from the previous Paragraph shall be established as well, and it may not be longer than 30 days if reckoning from the date of occurrence of a claim.

Article 32

Article 67 Paragraph 1 shall be amended in such a way as to read:

Official paper of the Company shall be „Official Gazette of the Republic of Croatia“ and the internet website of the Company.

Article 33

Article 72 shall be supplemented in such a way that after Paragraph 8 Paragraph 7 shall be added:

8) Amendments of the Articles of Association made at the General Shareholder's Meeting on 5 July 2008 shall become effective on the day of registration in the court register of the Commercial Court in Zagreb.

Article 34

A new Article 75 shall be added after Article 74:

In case that the additional activities as laid down in Article 5 of these Articles of Association cannot be recorded in the Court Register of the Commercial Court in Zagreb, then the Supervisory Board shall be entitled to revise the text of the specified activities in terms of description and definition so that these activities might be adequate for record in the Court Register of the Commercial Court in Zagreb.

This Decision shall become effective on the date of recording in the Court Register.

Agenda item 10

With regard to this Agenda Item, President of the Supervisory Board, Mr. Marijan Pavlović, has read the published draft decision on appointment of the auditor for the following year 2008.

As nobody has asked to speak, President of the Shareholders' Meeting has put the draft decision to vote.

After performed voting, the President of the Shareholders' Meeting reported on the results on voting. There have been 1,269,888 votes. There have been no votes against and there have been no abstaining votes.

On the basis of the voting results, the President of the Shareholders' Meeting has established that the Shareholders' meeting has accepted and reached the following

DECISION

The auditing company Pricewaterhousecoopers d.o.o. Zagreb, A. von Humboldta 4 shall be appointed as the auditor of the business operations of the company for the year 2008.

Agenda Item 11

With regard to this Agenda Item, President of the Supervisory Board, Mr. Marijan Pavlović, has read the published draft decision.

As nobody asked to speak, President of the Shareholders' Meeting has put the draft decision to vote.

After performed voting, the President of the Shareholders' Meeting reported on the results on voting. There have been 1,269,888 votes. There have been no votes against and there have been no abstaining votes as well.

On the basis of the voting results, the President of the Shareholders' Meeting has established that the Shareholders' meeting has accepted and reached the following

DECISION

Article 1

As the Terms of Office of the previous President and Deputy President of the General Shareholders' Meeting has expired, it is suggested that Mr. Marko Kozina shall be appointed as the President of the General Shareholders' Meeting and Mr. Zdenko Milas as Deputy President of the General Shareholders' Meeting.

Herby the Agenda has been completed.

President of the Shareholders' Meeting closed the Shareholders' Meeting at 11.00 a.m.

I, Public Notary from Zagreb, Ivan Parlov, hereby state that there have been no circumstances at the session of the Shareholders' Meeting that could influence the validity of the decisions reached at the Shareholders' Meeting.

Attachments to the Minutes:

- Decision of the Management Board on convocation of the regular General Shareholders' Meeting with the Invitation to shareholders to attend the session of the Shareholders' Meeting
- List of participants at the regular Shareholders' Meeting
- Financial report and Report of the Management Board on business operations, i.e. on the state of the Company for 2007

In Zagreb, 5 July 2008 (fifth July of twothousandandeight)

Public Notary

Ivan Parlov