

Based on Article 30 and 41 of the Articles of Association of AD „Banjalučka pivara“ and Resolution of the Management Board of AD „Banjalučka pivara“ Banja Luka No. 02-140/18 of May 22, 2018, the AD Management Board publishes

**INVITATION NOTICE
FOR XXVII ANNUAL SHAREHOLDERS' ASSEMBLY OF AD „BANJALUČKA PIVARA“ BANJA LUKA**

XXVII ANNUAL SHAREHOLDERS' ASSEMBLY WILL BE HELD ON JUN 25, 2018 (MONDAY) BEGINNING AT 10:00 HOURS, IN BANJA LUKA, AT SLATINSKA 8, MANAGEMENT BUILDING OF „BANJALUČKA PIVARA“.

AGENDA

1. Election of a President of the Shareholders' Assembly of AD „Banjalučka pivara“ Banja Luka,
2. Adoption of Minutes from XXVI extraordinary session of the Shareholders' Assembly of „Banjalučka pivara“ Banja Luka,
3. Consideration of revised Annual Accounts and Report on Business Operations and Implementation of Business Policy for 2017, with Opinion of Independent Auditor and adoption of the following resolutions:
 - Consideration and adoption of the Report on Work of the Company's bodies in 2017:
 - i. Report on Work of the Management Board of AD „Banjalučka pivara“ and on the execution of the Shareholders' Assembly resolutions in 2017,
 - ii. Report on Work of the Audit Board of AD „Banjalučka pivara“ with an Opinion on Annual Accounts and Report on Business Operations and Implementation of Business Policy for 2017, with Opinion of Independent Auditor,
 - Consideration and adoption of revised Annual Accounts and Report on Business Operations and Implementation of Business policy for 2017, with Opinion of Independent Auditor,
4. Consideration and adoption of Resolution on distribution of realised profit of the Company in 2017,
5. Consideration and adoption of Resolution of payment of preferential dividend from profit realised in 2017,
6. Adoption of Resolution on disposal with Company's assets of a great value,
7. Adoption of the basis for the Company's 2018 Business Policy,
8. Adoption of Resolution on election of Independent Auditor for auditing of financial report for 2019,
9. Adoption of Resolution on relieving from duty a member of the Management Board of AD „Banjalučka pivara“,
10. Adoption of Resolution on determining proposal of a candidate as a member of the Management Board of AD „Banjalučka pivara“,
11. Adoption of of Resolution on relieving from duty members of the Audit Board of AD „Banjalučka pivara“,
12. Adoption of Resolution of amendments to the Articles of Association of AD „Banjalučka pivara“ Banja Luka and establishment of clean text,
13. Adoption of Resolution on amendments to the Rulebook on the work of the Shareholders' Assembly of AD „Banjalučka pivara“ Banja Luka.

Having in mind the fact that, following the completion of the process of squeeze out of shares of minority shareholders to the buyer conducted in 2017, there are no minority shareholders (and with it, no dissenting shareholders) in „Banjalučka pivara“, as all shares are, indirectly and directly, owned by a controlling shareholder - ALTIMA UK VALUE INVESTMENTS LIMITED, company founded and registered in accordance with the Laws of Cayman Islands, with its seat at address 80 Nexus way, Camana Bay, Grand Cayman, the Management Board of „Banjalučka pivara“ considers that there are no reasons for conducting a process of share valuation to determine the compensation that would be offered to dissenting shareholders in accordance with Articles 435 and 436 of the Law on Business Companies („Official Gazette of the Republic of Srpska“ number 127/08, 58/09, 100/11, 67/13, 100/17).

Report on conditions of the disposal with the assets of a great value: resolution on disposal of assets of a great value is related to taking over the obligations and the conclusion of an annex to the Loan on a long-term foreign currency loan and Annex I to the Loan on the long-term foreign currency loan with „Zagrebačka banka“ d.d. Zagreb, Trg bana Josipa Jelačića broj 10, based upon which agreements on pledge over immovable property, movables and bank accounts and security instruments including promissory notes, transfer orders and assignment of insurance policies as security for obligations to the Bank are to be signed.

Recommendation of the Management Board: The Management Board recommends to the Shareholders' Assembly to adopt the resolution under item 6 of the Agenda.

Reasoning for the recommendation of the Management Board: „Banjalučka pivara“ a.d. Banja Luka (the Company) intends to conclude an Annex to the Contract on a long-term foreign currency loan and to Annex I to the Contract on a long-term foreign currency loan in the amount of 13,500,000.00 EUR with „Zagrebačka banka“ d.d. Zagreb, Trg bana Josipa Jelačića broj 10.

Reasoning for the conclusion of Annex to the Contract on a long-term foreign currency loan between „Banjalučka pivara“ a.d. Banja Luka and „Zagrebačka banka“ d.d. Zagreb, Trg bana Josipa Jelačića broj 10, is taking over of loan obligations that company „DRAFT“ d.o.o. Banja Luka has towards „Zagrebačka banka“ d.d. Zagreb, Trg bana Josipa Jelačića broj 10, based upon the Contract on a long-term foreign currency loan of up to 13,500,000.00 EUR dated on May 5, 2017, and Annex I to the Loan on a long-term foreign currency loan of up to 13,500,000.00 EUR dated on May 25, 2017, following the conducted status change that is a merger of company „DRAFT“ d.o.o. Banja Luka to „Banjalučka pivara“ a.d. Banja Luka, as approved by the District Commercial Court resolution number: 057-0-Reg-18-000784 dated on May 4, 2018.

Detailed report on conditions of the disposal with the assets of a great value and recommendation of the Management Board for conclusion of legal agreements with an explanation of the recommendation, are integral part of the materials for the session.

Absent shareholders may vote using a written statement on voting. The statement on voting should contain: name and last name of a shareholder, personal ID number or registration number of a legal entity, full title of the point on Agenda and statement on whether they vote 'for' or 'against' proposal of a decision, or whether they are 'abstained' from voting, with signature, i.e. the signature of a legal representative and a stamp of the shareholder (if the shareholder is a business company).

Power of Attorney for representation may be given to a physical person of age able to do business or a legal entity. The proxy of the shareholders employed at the AD „Banjalučka pivara“ may not be Director, a member of either Management Board or Executive Board. Power of Attorney for representation at Shareholders' assembly must contain the following data: data on the owner of shares and proxy (full name and last name, personal ID number or registration number of a legal entity and address of residence or the seat), data on the number, type and class of shares for which Power of Attorney is given, limitations to the authorisation and duration of Power of Attorney.

Registration of shareholders by the Voting Commission will be done in the period from 09:15 to 09:45 hours. All shareholders who arrive after the foreseen time have no right to actively participate in the work of the Assembly.

Statement on voting is delivered via post to the address: Assembly of „Banjalučka pivara“ AD Banja Luka (for Voting Commission), 8 Slatinska Street, or directly to the Protocol (ground floor of the Management Building), not later than to the deadline foreseen for registration of the shareholders.

Shareholders may, at the company seat, in Banja Luka, 8 Slatinska Street - reception of the Management Building, have insight into the Articles of Association and proposal of Resolution on changes of the Articles of Association of AD „Banjalučka pivara“ Banja Luka, a copy of revised Annual Accounts and Report on Business Operations and Implementation of Business Policy of 2016 with Opinion of an Independent Auditor and proposals of other Resolutions for each point on the Agenda, every working day from 8:00 to 16:00 hours as well as on the website of „Banjalučka pivara“: <http://banjaluckapivara.com> and website of Banja Luka Stock Exchange: www.blberza.com.

The right to participation and right to vote at the Assembly is exercised by the Shareholders on the basis of the Report from the Central Registry of Securities, as of Jun 15, 2018.

In case that the Assembly is not held at the set time because of the lack of quorum, repeated session of the Assembly is to be held the same day – Jun 25, 2018, beginning at 11:00 hours in the same place and with the same Agenda.

No: 02-140-1/2018
Date: May 22, 2018

MANAGEMENT BOARD
PRESIDENT
Ragnar Tryggvason