

**Končar – Electrical Industry Inc.**

**Security: KOEI-R-A**

**ISIN: HRKOEIRA0009**

**LEI: 74780000H0SHMRAW0115**

**Home member state: Croatia**

**Regulated market segment: Official Market of the Zagreb Stock Exchange**

**Address: Fallerovo šetalište 22, 10000 Zagreb**

## **The Management Board**

Pursuant to the provision of Article 277 of the Companies Act (Official Gazette 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 111/12, 68/13, 110/15, 40/19, 34/22, 114/22, 18/23) and the provision of Article 15 of the Articles of Association of Končar – Electrical Industry Inc., Zagreb, Fallerovo šetalište 22 and the Decision of the Company's Management Board on convening a General Assembly meeting of 20 April 2023, the convening of and invitation to

### **the meeting of the General Assembly of Končar – Electrical Industry Inc.**

is hereby announced. The meeting will be held on 13 June 2023, starting at 12:00 p.m. in Zagreb, Fallerovo šetalište 22, in the office tower of Končar – Electrical Industry Inc., on the 11<sup>th</sup> floor, in the great hall. After opening of the meeting of the General Assembly and verification of shareholders present, the agenda will be as follows:

#### **Agenda:**

1. Annual Management Report on the State of the Company and its subsidiaries for 2022
2. Annual financial statements and consolidated annual report of Končar – Electrical Industry Inc. for 2022 with the auditor's report, after they have been approved by the Company's Management Board and Supervisory Board
3. Supervisory Board's Report on performed supervision of the management of the Company's business operations for 2022
4. Decision on allocation of distributable profit for 2022
5. Decision on granting discharge to members of the Company's Management Board for managing the Company in 2022
6. Decision on granting discharge to members of the Supervisory Board for supervising the management of the Company's business operations in 2022
7. Decision on appointment of auditors for 2023
8. Remuneration report for members of the Management Board and the Supervisory Board
9. Decision on authorizing the Company's Management Board for acquisition of treasury shares
10. Decision on change of Company name
11. Decision on adjustment of the share capital and portions of that capital in connection with conversion from HRK to EUR
12. Decision on amendments to the Articles of Association

The Management Board and the Supervisory Board jointly propose that the General Assembly adopt decisions under items 4, 5, 6 and 8 of the Agenda, while the Supervisory Board proposes that the General Assembly adopt the decision under item 7 of the Agenda.

The General Assembly does not adopt decisions under items 1, 2 and 3 of the Agenda; it only acknowledges them.

## Proposals for decisions:

### **Ad.1. Annual Management Report on the State of the Company and its Subsidiaries for 2022**

The General Assembly acknowledges the Management Report on the State of the Company and its Subsidiaries for 2022.

### **Ad.2. Annual financial statements and consolidated annual report of Končar – Electrical Industry Inc. for 2022 with the auditor's report, after they have been approved by the Company's Management Board and Supervisory Board**

The General Assembly acknowledges the information regarding financial statements of the company Končar – Electrical Industry Inc. and consolidated financial statements of the Končar Group for 2022, as approved by the Management Board and the Supervisory Board, together with the Auditor's Report concerning the performed audit of financial statements.

The Supervisory Board and the Management Board of Končar – Electrical Industry Inc. have jointly approved the Company's annual financial statements for 2022, as follows:

- Statement of financial position (balance sheet), with the sum of assets and of equity and liabilities in the amount of HRK 1,784,537,843.28 thousand (EUR 236,848,874.28)
- Profit and loss statement with realized profit (loss) after tax in the amount of HRK 113,035,648.12 thousand (EUR 15,002,408.67)
- Statement of other comprehensive income
- Cash flow statement
- Statement of changes in equity
- Notes to the financial statements

The Supervisory Board and the Management Board of Končar – Electrical Industry Inc. have jointly approved Končar Group's consolidated annual financial statements for 2022, as follows:

- Statement of financial position (balance sheet), with the sum of assets and of equity and liabilities in the amount of HRK 6,038,135 thousand (EUR 801,398 thousand)
- Profit and loss statement with realized profit (loss) after tax in the amount of HRK 370,155 thousand (EUR 49,128 thousand)
- Statement of other comprehensive income
- Cash flow statement
- Statement of changes in equity
- Notes to the financial statements

### **Ad.3. Supervisory Board's Report on performed supervision of the management of the Company's business operations for 2022**

The General Assembly acknowledges the Supervisory Board's Report on performed supervision of the management of the Company's business operations for 2022.

## Ad. 4. Decision on allocation of distributable profit for 2022

Pursuant to the provision of Article 220 of the Companies Act and the provision of Article 11 of the Articles of Association of Končar – Electrical Industry Inc., on 13 June 2023, the General Assembly of Končar – Electrical Industry Inc. adopts the following

### Decision

on allocation of distributable profit for 2022

I Available profit generated in financial year 2022 amounts to HRK 107,383,865.74/ EUR 14,252,288.24.

II Out of that distributable profit, the shareholders will be paid a dividend of HRK 15.07/ EUR 2.00 per share.

II Dividend will be paid to the shareholders registered in the Depository of Dematerialized Securities of the Central Depository and Clearing Company (CDCC) as holders of shareholder rights on the fifteenth (15<sup>th</sup>) day following the General Assembly meeting. Hence, 28 June 2023 is the record date.

III Dividend payment shall be made no later than within 15 (fifteen) days from the record date, that is, until (and including) 13 July 2023.

IV The remaining distributable profit in the amount of HRK 69,016,082.08/ EUR 9,160,008.24 is allocated to retained earnings.

### Explanation

The Management Board and the Supervisory Board of Končar – Electrical Industry Inc. approved the Company's financial statements at the Supervisory Board meeting of 20 April 2023.

The net profit of Končar – Electrical Industry Inc. realized in the financial year 2022 amounts to HRK 113,035,648.12/ EUR 15,002,408.67, of which:

- the amount allocated to legal reserves is:	HRK 5,651,782.38/ EUR 750,120.43,
- the amount allocated to retained earnings is:	HRK 69,016,082.08/ EUR 9,160,008.24,
Total:	HRK 74,667,864.46/ EUR 9,910,128.67.

The Management Board and the Supervisory Board submitted a proposal to the General Assembly of Končar – Electrical Industry Inc. for the remaining profit for the financial year 2022, in the amount of HRK 107,383,865.74/ EUR 14,252,288.24, to be paid to shareholders through dividend of HRK 15.07/ EUR 2,00 per share, and for the remaining part of the distributable profit, in the amount of HRK 69,016,082.08/ EUR 9,160,008.24 to be allocated to retained earnings.

## Ad.5. Decision on granting discharge to members of the Company's Management Board for managing the Company in 2022

Pursuant to Article 275 of the Companies Act, on 13 June 2023, the General Assembly of Končar – Electrical Industry Inc. adopts the following

### Decision

Discharge is granted to members of the Company's Management Board for management of business operations in 2022.

## Ad.6. Decision on granting discharge to members of the Supervisory Board for supervising the management of the Company's business operations in 2022

Pursuant to Article 275 of the Companies Act, on 13 June 2023, the General Assembly of Končar – Electrical Industry Inc. adopts the following

### Decision

Discharge is granted to members of the Supervisory Board for supervision of management of the Company's business operations in 2022.

### Ad.7. Decision on appointment of auditors for 2023

Pursuant to Article 275 of the Companies Act, on 13 June 2023, the General Assembly of Končar – Electrical Industry Inc. adopts the following

### Decision

KPMG Croatia d.o.o. for auditing, PIN: 20963249418, with registered office in Zagreb, Ivana Lučića 2/a, registered with the Court Register of the Commercial Court in Zagreb under Court Reg. No.: 080098593, and TPA Audit d.o.o., PIN: 82899666867, with registered office in Prelog, Ulica kneza Branimira 28, registered with the Court Register of the Commercial Court in Varaždin under Court Reg. No.: 070143436, are appointed auditors of financial statements of the company Končar – Electrical Industry Inc. and consolidated financial statements of Končar Group for 2023.

### Ad.8. Remuneration report for members of the Management Board and the Supervisory Board

Pursuant to the provision of Article 275(1)(3) and the provision of Article 276a(4) of the Companies Act, on 13 June 2023, the General Assembly of Končar – Electrical Industry Inc. adopts the following

### Decision

I Approving the Remuneration Report for 2022 pertaining to remuneration which the Company or a different company within the same group paid or undertook to pay to each member of the Management Board and the Supervisory Board performing such duty in 2022, which Remuneration Report for 2022 has been revised in accordance with the provision of Article 272r of the Companies Act.

II The Company does not assume any obligations by virtue of this Decision nor do members of the Management Board and Supervisory Board performing their duty as members in 2022 acquire any rights based hereon.

### Ad. 9. Decision on authorizing the Company's Management Board for acquisition of treasury shares

Pursuant to Article 233 of the Companies Act, on 13 June 2023, the General Assembly of Končar – Electrical Industry Inc. adopts the following

### Decision on authorizing the Company's Management Board for acquisition of treasury shares

I By virtue of this Decision, the Company's General Assembly authorizes the Management Board to acquire the Company's treasury shares within the period of 5 (say: five) years, counting from 15 January 2024, without any further consent from the General Assembly being required, under the following conditions:

- 1) A portion of the Company's other reserves in the amount of EUR 4,000,000.00 (say: four million) is to be used by Končar - Electrical Industry Inc. for acquisition of treasury shares designated KOEI-R-A, which effectively creates reserves for purchase of treasury shares and limits the assets that may be used for that purpose,
- 2) The Company's Management Board may acquire the Company's treasury shares only on organized securities markets,
- 3) Price at which the Company's treasury shares will be bought must not exceed a value of 10% above the closing price at the Zagreb Stock Exchange on the day immediately preceding the day of purchase of the Company's treasury shares,
- 4) At the first General Assembly meeting scheduled after the purchase, the Company's Management Board must explain the reasons and purpose of acquiring the shares, the number of acquired shares and their relevant portion of the share capital, including the consideration paid for those shares. The Management Board has the same duty vis-a-vis the Supervisory Board and its report to that Board has to be made within one month after the end of each individual quarter.

II The Company's Management Board may use the treasury shares that the Company already holds or those that it has acquired based on the General Assembly decision authorizing the Company's Management Board for acquisition of treasury shares without any further, separate decision from the General Assembly being required, in which context the existing shareholders' right of pre-emption is hereby excluded.

III This Decision enters into effect on the day of its adoption and it is applicable for as long as the authorization granted by virtue of this Decision is effective.

IV With the entering into effect of this Decision, the Decision authorizing the Company's Management Board for acquisition of treasury shares adopted by the General Assembly on 15 January 2019 is rendered invalid.

## Ad. 10. Decision on change of Company name

Pursuant to Article 11 of the Companies Act and based on a decision of the Management Board of Končar - Electrical Industry Inc. and a consent from its Supervisory Board given on 19 May 2022, the Company's General Assembly adopts the following

### Decision on change of Company name

I. The Company's current name in Croatian is: Končar - Elektroindustrija d.d.  
The Company's current name in English is: Končar - Electrical Industry Inc.  
The Company's current short name in Croatian is: Končar d.d.  
The Company's current short name in English is: Končar Inc.

II. The Company's name is hereby changed as follows:  
Company name in Croatian: KONČAR - Elektroindustrija d.d. za proizvodnju i usluge  
Company name in English: KONČAR - Electrical Industry Inc. for manufacturing and services  
The Company's short name in Croatian: KONČAR d.d.  
The Company's short name in English: KONČAR Inc.

III. This Decision enters into effect on the day of its adoption and it is applicable as of the day of entering of the Amendments to the Company's Articles of Association in the court register of the Commercial Court in Zagreb.

**Ad. 11. Decision on adjustment of the share capital and portions of that capital in connection with conversion from HRK to EUR**

Pursuant to the provision of Article 21 of the Act on Amendments to the Companies Act (Official Gazette 114/22) and Article 18 of the Act on Amendments to the Companies Act (Official Gazette 18/23), on 13 June 2023 the Company's General Assembly adopts the following

**Decision  
on adjustment of the share capital and portions of that capital in connection with conversion  
from HRK to EUR**

I. Share capital amounts to 1,208,895,930.00 (say: one billion two hundred and eight million eight hundred and ninety-five thousand nine hundred and thirty) kunas and it is divided into 2,572,119 (say: two million five hundred and seventy-two thousand one hundred and nineteen) ordinary registered shares in the nominal amount of 470.00 (say: four hundred and seventy) kunas each.

II. Share capital and shares are converted to euros by using the fixed exchange rate of HRK 7.53450 for EUR 1, after which the share capital amounts to 159,471,378 (say: one hundred and fifty-nine million four hundred and seventy-one thousand three hundred and seventy-eight) euros and it is divided into 2.572.119 (say: two million five hundred and seventy-two thousand one hundred and nineteen) ordinary registered shares in the nominal amount of 62 (say: sixty-two) euros.

III. The resulting difference of 976,684.91 (say: nine hundred and seventy-six thousand six hundred and eighty-four euros and ninety-one cents) that remained after the conversion described in item II of this Decision, which is the sum for which the share capital is decreased, is credited to capital reserves.

IV This Decision enters into effect on the day of its adoption and it is applicable as of the day of entering thereof in the court register.

**Ad.12. Decision on amendments to the Articles of Association**

Pursuant to the provision of Articles 275 and 301 of the Companies Act and the provision of Article 14 of the Articles of Association of Končar – Electrical Industry Inc., on 13 June 2023, the General Assembly of Končar – Electrical Industry Inc. adopts the following

**Decision  
on amendments to the Articles of Association**

I Article 1 of the Articles of Association is amended to read:

"The Company's name in Croatian is: KONČAR - Elektroindustrija d.d. za proizvodnju i usluge

The Company's short name in Croatian is: KONČAR d.d.

The Company's name in English is: KONČAR - Electrical Industry Inc. for manufacturing and services

The Company's short name in English is: KONČAR Inc."

II Article 9 of the Articles of Association is amended to read:

"The Company's share capital is 159,471,378 (say: one hundred and fifty-nine million four hundred and seventy-one thousand three hundred and seventy-eight) euros.

The share capital is divided into 2,572,119 (say: two million five hundred and seventy-two thousand one hundred and nineteen) ordinary registered shares in the nominal amount of 62 (say: sixty-two) euros each."

II All other articles of the Articles of Association remain unchanged.

III Amendments to the Articles of Association enter into effect as of the day of entering thereof in the court register of the Commercial Court in Zagreb.

IV The Company's Management Board is required to apply for relevant entries to be made in the court register of the Commercial Court in Zagreb.

**Requirements for participating in the General Assembly meeting and exercising voting rights:**

All shareholders who are registered in the Depository of Dematerialized Securities of the Central Depository and Clearing Company (CDCC) on the last day for applying for participation in the General Assembly meeting are entitled to participate in and exercise their voting rights at the meeting of the Company's General Assembly, in person or through their legal representatives or attorneys, provided that they submit a written notification to the Company regarding their intention to participate in the General Assembly meeting and deliver it to the Company's address with the reference "Application for participation in the General Assembly meeting" no later than 6 (say: six) days prior to the General Assembly meeting, i.e., up to and including 7 June 2023. Shareholders or their attorneys who do not submit such notification on participation will not be able to participate in the General Assembly meeting

Shareholders may be represented by attorneys, natural or legal persons, based on a valid written power of attorney. The power of attorney must contain personal data of the shareholder granting it, the number of shares or votes at their disposal, authorization for the attorney to participate in the General Assembly meeting and vote, as well as the date of issuance and validity period of the power of attorney. If the power of attorney is granted by a natural person, the signature of the natural person must be certified by a notary public or certified within the Company by a person authorized to do so by the Company's Management Board.

The power of attorney may be delivered by mail or in person at the Company's registered office, the Shareholders Office, on business days, either prior to the start of the General Assembly meeting or directly during identification at the General Assembly meeting. Power of attorney forms are available on the Company's website [www.koncar.hr](http://www.koncar.hr).

Shareholders holding shares in the amount of 5% of the share capital may submit a proposal to the Company's Management Board for including an item on the agenda of the General Assembly meeting and for it to be published. The proposal for including an item on the agenda must be received by the Company no less than 30 days prior to the General Assembly meeting and the shareholders must provide an explanation and a proposal for a decision.

Shareholders and their attorneys may review the materials representing the basis for adoption of published decision proposals at the Company's registered office, at the Shareholders Office, on every business day except Saturday, between 10:00 a.m. and 2:00 p.m., as well as on the Company's website [www.koncar.hr](http://www.koncar.hr), as of the date of publishing this invitation on the Court Register's and the Company's websites.

All information concerning the convening of the meeting of the General Assembly is published on the Company's website.

Due to extraordinary circumstances caused by the coronavirus (COVID-19) pandemic, during their participation in the meeting of the General Assembly, shareholders are required to comply with health and safety recommendations and decisions of the Civil Protection Headquarters of the Republic of Croatia, as well as with the measures implemented by the Company when organizing the meeting of the General Assembly in accordance therewith.

Member of the Management Board

President of the Management Board

Josip Lasić, MA (Econ)

Gordan Kolak, M.Sc.Eng.