

KONČAR  
KONČAR-Electrical Industry Inc.

CROATIAN FINANCIAL SERVICES SUPERVISORY AGENCY  
Miramarska 24 B  
Croatia-10000 Zagreb

ZAGREB STOCK EXCHANGE  
Ivana Lučića 20a  
Croatia-10000 Zagreb

Zagreb, 6 June 2018

### **Annual General Meeting of Končar – Electrical Industry Inc. held**

The Annual General Meeting of KONČAR – Electrical Industry Inc. held on 6 June 2018 on the Company premises was attended by shareholders representatives holding 1,975,541 shares accounting for 77 percent of the total share capital of the Company. The presence of 77 percent of the Company share capital fulfilled the conditions for holding the Annual General Meeting. All adopted decisions were valid.

Petar Vlaić, the Chairman of the Supervisory Board of KONČAR-Electrical Industry Inc., who is also the Chairman of the AGM pursuant the Articles of Association of KONČAR-Electrical Industry Inc., presided over the Annual General Meeting. In addition to the shareholders representatives, the President of the Management Board, Darinko Bago, the members of the Management Board and the Supervisory Board of KONČAR-Electrical Industry Inc. were also present at the AGM.

Darinko Bago, President of the Management Board reported on the business operations of KONČAR Group in 2017. The AGM ratified the acts of the members of the Management Board and Supervisory Board for 2017. PricewaterhouseCoopers d.o.o. from Zagreb was appointed the auditor of the financial statements of KONČAR-Electrical Industry Inc. and of the consolidated financial statements of KONČAR Group for 2018.

As per the proposal made by the Management and Supervisory Boards, the decision regarding the dividend payment of HRK 35,927,612.00 from distributable profit earned in 2017 to company shareholders was made, i.e. HRK 14.00 per share.

Following the completion of the voting process and the adoption of decisions under the Agenda, Petar Vlaić, the AGM Chairman, concluded the meeting.

Below is the list of adopted decisions.

Management Board of Končar-Electrical Industry Inc.

KONČAR-ELECTRICAL INDUSTRY Inc.  
Zagreb, Fallerovo šetalište 22  
Annual General Meeting

Pursuant to the provision of Article 275 of the Companies Act (Official Gazette nos. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 11/12, 68/13, 110/15) and in connection with the provision of Articles 250a and 250b of the Companies Act and the provision of Article 36 of the Articles of Association of Končar – Electrical Industry Inc., Zagreb, Fallerovo šetalište 22, on 6 June 2018 the AGM passed the following

### **Decision**

The AGM took note of the 2017 Management Board Report on the Position of KONČAR-Electrical Industry Inc. and its Dependent Companies.

KONČAR-ELECTRICAL INDUSTRY Inc.  
ANNUAL GENERAL MEETING

AGM Chairman:

Petar Vlaić  
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KONČAR-ELECTRICAL INDUSTRY Inc.  
Zagreb, Fallerovo šetalište 22  
Annual General Meeting

Pursuant to the provision of Article 275 of the Companies Act (Official Gazette nos. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 11/12, 68/13, 110/15) and in connection with the provision of Article 300d of the Companies Act and the provision of Article 36 of the Articles of Association of Končar – Electrical Industry Inc., Zagreb, Fallerovo šetalište 22, on 6 June 2018 the AGM passed the following

### Decision

The AGM took note of the information on 2017 financial statements of KONČAR – Electrical Industry Inc. and the 2017 consolidated financial statements of KONČAR Group as established by the Management and the Supervisory Boards including the Auditor Reports on the rendered audit of the financial statements.

The Company generated the following amounts in HRK thousands:

- total revenues	– in the amount of:	184,851
- total expenditures	- in the amount of:	115,777
- profit before tax	- in the amount of:	69,074
- corporation tax	- in the amount of:	0
- net profit	- in the amount of:	69,074
- total assets of the Company:	- in the amount of:	1,665,777
- capital, reserves and unallocated profit:	- in the amount of:	1,664,657

In 2017, Končar Group generated the following amounts in HRK thousands:

- total consolidated revenues	– in the amount of:	3,094,080
- total consolidated expenditures	- in the amount of:	2,969,622
- profit before tax	- in the amount of:	124,458
- corporation tax	- in the amount of:	16,355
- profits after tax	- in the amount of:	108,103
- total assets	- in the amount of:	3,709,031
- capital, reserves and unallocated profit	- in the amount of:	2,484,900

KONČAR-ELECTRICAL INDUSTRY Inc.  
ANNUAL GENERAL MEETING

AGM Chairman:

Petar Vlaić  
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KONČAR-ELECTRICAL INDUSTRY Inc.  
Zagreb, Fallerovo šetalište 22  
Annual General Meeting

Pursuant to the provision of Article 275 of the Companies Act (Official Gazette nos. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 11/12, 68/13, 110/15) and in connection with the provision of Article 263, paragraph 3 of the Companies Act and the provision of Article 36 of the Articles of Association of Končar – Electrical Industry Inc., Zagreb, Fallerovo šetalište 22, on 6 June 2018 the AGM passed the following

### **Decision**

The AGM took note of the Supervisory Board report on the supervision of the business management of the Company in 2017.

KONČAR-ELECTRICAL INDUSTRY Inc.  
ANNUAL GENERAL MEETING

AGM Chairman:

Petar Vlaić  
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KONČAR-ELECTRICAL INDUSTRY Inc.  
Zagreb, Fallerovo šetalište 22  
Annual General Meeting

Pursuant to the provision of Article 275, paragraph 1, subparagraph 2 of the Companies Act (Official Gazette nos. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 11/12, 68/13, 110/15) and the provision of Article 36 of the Articles of Association of Končar – Electrical Industry Inc., Zagreb, Fallerovo šetalište 22, on 6 June 2018 the AGM passed the following

#### **Decision on Dividend Payment**

I Dividend shall be paid in the amount of HRK 14.00 per share to shareholders from the distributable/retained profits earned in business year 2017.

II Dividend shall be paid to every shareholder registered in the Depository of the Central Clearing Depository Association (SKDD d.d.) as a holder of rights arising from the share on the date that falls 15 (fifteen) days after the AGM session. Therefore, said date of the acquisition of the right to the payment of dividend is 21 June 2018.

III The payment of dividends shall be executed no later than 15 (fifteen) days from the date of the acquisition of the right to the payment of dividend i.e. until 6 July 2018 inclusive.

#### **Explanation**

The Management and Supervisory Boards of KONČAR – Electrical Industry Inc. established the 2017 Financial Statements of the Company on 9 April 2018.

Net profits of KONČAR – Electrical Industry Inc. earned in business year 2017 amounted to HRK 69,074,443.33. The profits of HRK 69,074,443.33 are allocated as follows:

-legal reserves (5 %)	- in the amount of HRK 3,453,722.17
-statutory reserves	- in the amount of HRK 6,000,000.00
-other reserves	- in the amount of HRK 23,693,109.16
Total:	HRK 33,146,831.33

It has been proposed to the AGM of KONČAR-Electrical Industry Inc. to pay a dividend of HRK 14.00 per share to Company shareholders. The AGM has made a decision pursuant to the above stated.

KONČAR-ELECTRICAL INDUSTRY Inc.  
ANNUAL GENERAL MEETING

AGM Chairman:  
Petar Vlaić  
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KONČAR-ELECTRICAL INDUSTRY Inc.  
Zagreb, Fallerovo šetalište 22  
Annual General Meeting

Pursuant to the provision of Article 275, paragraph 1, subparagraph 3 and Article 276 of the Companies Act (Official Gazette nos. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 11/12, 68/13, 110/15) and pursuant to the provision of Article 293 of the Companies Act and under the provision of Article 36 of the Articles of Association of Končar – Electrical Industry Inc., Zagreb, Fallerovo šetalište 22, on 6 June 2018 the AGM passed the following

#### **Decisions**

- a) The acts of the members of the Management Board of KONČAR-Electrical Industry Inc. are hereby ratified for 2017.
- b) The acts of the members of the Supervisory Board for the supervision of the business management of the Company in 2017 are hereby ratified.

KONČAR-ELECTRICAL INDUSTRY Inc.  
ANNUAL GENERAL MEETING

AGM Chairman:  
Petar Vlaić  
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KONČAR-ELECTRICAL INDUSTRY Inc.  
Zagreb, Fallerovo šetalište 22  
Annual General Meeting

Pursuant to the provision of Article 275, paragraph 1, subparagraph 4 of the Companies Act (Official Gazette nos. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 11/12, 68/13, 110/15) and in connection with the provision of Articles 250a and 250b of the Companies Act and the provision of Article 36 of the Articles of Association of Končar – Electrical Industry Inc., Zagreb, Fallerovo šetalište 22, on 6 June 2018 the AGM passed the following

**Decision**

Pricewaterhouse Coopers d.o.o. from Zagreb, Heinzelova 70, is appointed the auditor of the financial statements of KONČAR-Electrical Industry Inc. and of the consolidated financial statements of Končar Group for 2018.

KONČAR-ELECTRICAL INDUSTRY Inc.  
ANNUAL GENERAL MEETING

AGM Chairman:  
Petar Vlaić  
(signature illegible)