



CROATIAN FINANCIAL SERVICES
SUPERVISORY AGENCY
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ZAGREB STOCK EXCHANGE
Ivana Lučića Street 20a
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**Subject: Annual General Meeting of Končar – Elektroindustrija d.d. (in English: Končar – Electrical Industry Inc.) was held on 6th June, 2019
- Notice, Passed Decisions**

Pursuant provisions of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on Market Abuse (Market Abuse Regulation), the Law on Capital Market and the Stock Exchange Regulation, we, hereby, inform the General Public that the Annual General Meeting of Končar – Elektroindustrija d.d. (in English: Končar – Electrical Industry Inc.) was held in the headquarters of the Company in Zagreb, Fallerovo šetalište 22, on the day of 6th June, 2019 beginning at 12:00 p.m. with the predetermined and published Agenda as announced in the Invitation to the Annual General Meeting of the Company.

The Annual General Meeting of the Company was held in the presence of holders of 2.058.808 shares amounting to 80,55 per cent of the Company Equity. Since 80,55 per cent of the Company Equity was present, conditions for operation of the AGM were fulfilled and all passed decision were valid.

The Annual General Meeting was chaired by Petar Vlaić, Company Supervisory Board President, who was also the Annual General Meeting Chairman pursuant the Statutes of the Company. In addition to representatives of shareholders, Darinko Bago, Company Managing Board President, as well as Company Supervisory and Managing Board Members were present at the Annual General Meeting.

Darinko Bago, Company Managing Board President, informed the AGM on business operations of the KONČAR Group in 2018. The Annual General Meeting relieved Managing and Supervisory Board Members from duty to manage operations of the Company in 2018. PricewaterhouseCoopers d.o.o., an authorised auditing company from Zagreb, was nominated to be the auditor for 2019 KONČAR – Elektroindustrija d.d. (in English: Končar – Electrical Industry Inc.) Financial Statements and 2019 KONČAR Group Consolidated Financial Statements.

On the basis of a proposal of the Managing and the Supervisory Board, the AGM decided to pay dividends to shareholders in the amount of HRK 38,358,870.00 out of the available profits generated in 2018. A dividend per share amounted to HRK 15.

Petar Vlaić, a Supervisory Board Member, ceased to be a Member of the Supervisory Board of Končar – Elektroindustrija d.d. (in English: Končar – Electrical Industry Inc.) on the basis of his resignation pursuant the Law on Obligatory Pension Funds (Official Gazette of the Republic of Croatia NN 115/18) starting from the day of 30th June, 2019. Luka Gašpar, a master of technical sciences, was elected to be a Member of the Supervisory Board for the term of office from 1st July, 2019 to 12th July, 2020.

After the AGM voted for all the decisions from the Agenda, Petar Vlaić, the Chairman of the Annual General Meeting concluded the Meeting.

Passed decision are presented below.

Končar – Elektroindustrija d.d.
(in English: Končar – Electrical Industry Inc.)
Zagreb, Fallerovo šetalište 22
Annual General Meeting

Ad.1. The Annual General Meeting takes the notice of the Managing Board 2018 Annual Report on the position of the Company and dependent Companies.

Ad.2. The Annual General Meeting takes the notice of the information on 2018 Končar – Electrical Industry Inc. Financial Reports and 2018 Končar Group Consolidated Financial Reports as determined by the Managing and the Supervisory Board including Auditor Reports on the performed audit of financial reports.

In 2018 the Company generated in thousands of Croatian Kunas (HRK):

- Total revenues	- in the amount of HRK:	174.204
- Total expenditures	- in the amount of HRK:	98.701
- Profit before tax	- in the amount of HRK:	75.503
- Income tax	- in the amount of HRK:	0
- Net profits	- in the amount of HRK:	75.503
- Total assets of the Company:	- in the amount of HRK:	1.725.166
- Capital, reserves and unallocated profits	- in the amount of:	1.676.815

In 2018 the Končar Group generated in thousands of Croatian kunas (HRK)

- Total consolidated revenues	- in the amount of HRK:	2.962.693
- Total consolidated expenditures	- in the amount of HRK:	2.820.488
- Profit before tax	- in the amount of HRK:	142.205
- Income tax	- in the amount of HRK:	13.497
- Profits after tax	- in the amount of HRK:	128.708
- Total assets	- in the amount of HRK:	3.727.175
- Capital, reserves and unallocated profits	- in the amount of HRK:	2.537.482.

Ad.3. The AGM takes the notice of the Supervisory Board Report on supervision of management of business operations of the Company in 2018.

Ad. 4. Pursuant the provision of the Trading Company Act, Article 220 (Official Gazette of the Republic of Croatia No 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 111/12, 68/13 and 110/15) and provisions of the Statutes of Končar – Electrical Industry Inc., Article 25, 27 and 36, the Annual General Meeting of Končar – Electrical Industry Inc., on 6th June, 2019, passes the following

Decision

on payment of dividends for 2018

I A dividend in the amount of HRK 15.00 per share will be paid to shareholders from remaining profits generated in the business year of 2018 in the amount of HRK 38,358,870.00.

II A dividend will be paid to every shareholder that is registered in the Register of Book-Entry Securities in the Depository of the Central Clearing Depository Association (SKDD) as a holder of rights arising from the share on the 15th (fifteenth) day after the date of holding of the AGM making 21st June, 2019, the date of acquisition of the right to claim payment of dividends (the record date).

III The payment of dividends shall be affected not later than 15 (fifteen) days from the date of acquisition of the claim to pay the dividend (the record date), i.e. 6th July, 2019 inclusive.

Explanation

The Managing Board and the Supervisory Board have determined 2018 Financial Report of the Company on 18th April, 2019.

The net profits of KONČAR – Electrical Industry Inc. generated in the business year of 2018 amount to HRK 75,503,105.02. The profits in the amount of HRK 75,503,105.02 are allocated into:

- Legal reserves (5%)	- in the amount of HRK: 3,775,155.25
- Other reserves	- in the amount of HRK: 33,369,079.77
Total	HRK 37.144.235,02

The Managing Board and the Supervisory Board have proposed to the Annual General Meeting of Končar – Electrical Industry Inc. that the Company pays a dividend in the amount of HRK 15.00 per share to its shareholders as the decided by the Annual General Meeting in the operative part of this Decision.

Ad.5. a) Pursuant the provision of the Trading Company Act, Article 275 (Official Gazette of the Republic of Croatia No 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 111/12, 68/13 and 110/15) the Annual General Meeting of Končar – Electrical Industry Inc., on 6th June, 2019, passes the following

Decision

The Company Managing Board Members are relieved of duty to manage business operations in 2018.

b) Pursuant the provision of the Trading Company Act, Article 275 (Official Gazette of the Republic of Croatia No 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 111/12, 68/13 and 110/15) the Annual General Meeting of Končar – Electrical Industry Inc., on 6th June, 2019, passes the following

Decision

The Company Supervisory Board Members are relieved of duty to supervise managing of business operations of the Company in 2018.

Ad.6. Pursuant the provision of the Trading Company Act, Article 275 and 256 (Official Gazette of the Republic of Croatia No 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 111/12, 68/13 and 110/15) and provisions of the Statutes of Končar – Electrical Industry Inc., Article 36, the Annual General Meeting of Končar – Electrical Industry Inc., on 6th June, 2019, passes the following

Decision

Company PricewaterhouseCoopers Ltd. from Zagreb, Heinzelova Street No 70, is appointed to be the auditor for Končar – Electrical Industry Inc. Financial Reports and the Končar Group Consolidated Financial Reports for the year of 2019.

Ad.7. Pursuant the provision of the Trading Company Act, Article 220 (Official Gazette of the Republic of Croatia No 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 111/12, 68/13, 110/15 and 40/19) and provisions of the Statutes of Končar – Electrical Industry Inc., Articles 36 and 37, the Annual General Meeting of Končar – Electrical Industry Inc., on 6th June, 2019, passes the following

Decision

I Luka Gašpar, Samobor, Voćarska 20, PID: 75266021946, Master of Technical Sciences from the field of mechanical engineering is elected to be a Member of the Supervisory Board of the Company with the term of office from 1st July, 2019 to 12th July, 2020.

II This Decision comes into force on the date of its adoption.

Annual General Meeting Chairman

Petar Vlaić