

Končar – Electrical Industry Inc.
Fallerovo šetalište 22, 10000 Zagreb
Ticker: KOEI-R-A
ISIN: HRKOEIRA0009
LEI: 74780000H0SHMRAW0115
Home Member State: Croatia
Regulated market segment of the Zagreb Stock Exchange

- Croatian Financial Services Supervisory Agency
- Zagreb Stock Exchange
- Croatian news agency
- Company web site

- regulated information

Zagreb, 2nd July 2020

Notice on Decisions adopted at the General Assembly

The General Assembly of KONČAR – Electrical Industry Inc. was held in the Company premises on 2nd July, 2020. The representatives of holders of 2.038.216 shares were present representing 80,05 percent of the total share capital of the Company. With the presence of 80,05 percent of the total share capital of the Company, conditions for operation of the Annual General Meeting were fulfilled. Therefore all the passed decisions were valid.

The Chairman of the General Assembly was Joško Miliša, the President of the Supervisory Board of the Company, who was also the Chairman of the Annual General Meeting pursuant the Statutes of the Company.

According to the announced Agenda the General Assembly of KONČAR – Electrical Industry Inc., adopted the following decision:

Pursuant to the provisions of Articles 275 and 301 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, 111/12, 68/13, 110/15 and 40/90, hereinafter: the Law and Article 33 of the Statute of Končar – Elektroindustrija d.d., Zagreb, Fallerovo šetalište 22., General Assembly of Končar - Elektroindustrija dd July 2, 2020 brings the following

Decision to amend the Statute

I The Articles of Statute of Končar - Elektroindustrija d.d. in such a way that the confirmed text of the Statute of 15 January 2019 is completely replaced by the new text of the Statute which reads:

I. COMPANY NAME, HEADQUARTERS, SUBJECT OF BUSINESS

Article 1

The Company name is: KONČAR - ELEKTROINDUSTRIJA d.d.

The abbreviated Company name is: KONČAR d.d.

The Company name in English is: KONČAR - ELECTRICAL INDUSTRY Inc.

The abbreviated Company name in English is: KONČAR Inc.

Article 2

The headquarters of the Company are in Zagreb.

Decision on change of the headquarters of the Company are brought by the General Assembly of the Company.

The decision on the change of the business address at the headquarters of the Company is brought by the Management Board of the Company with prior consent of the Supervisory Board of the Company.

Article 3

The Company may have subsidiaries outside its headquarters. The subsidiary is established by means of a decision of the Management Board with the prior consent of the Supervisory Board.

Article 4

The form, content, size, manner of use and storage of the stamp are determined by the Management Board of the Company.

Article 5

The Company uses the certified trademark: KONČAR, entered into the Trademark Register of the State Intellectual Property Office, under number Z 20020643.

Article 6

In its operation, the Company performs activities that are its subject of business, and those are as follows:

- 28 Manufacture of metal products with the exception of machines and equipment
- 29 Manufacture of machines and equipment, n.e.c.
- 30 Manufacture of electrical machines and devices, n.e.c.
- 35 Manufacture of other vehicles
- 51 Wholesale trade and mediation in trade, not including motor vehicles and motorcycles
- 52 Retail trade; repair of household items
- 65 Financial intermediation, not including insurance and pension funds
- 69.20 Accounting, bookkeeping and auditing activities; tax consulting
- 74.15 Holding company management activities
- 74.20 Architecture and engineering activities and therewith related technical consulting
- * Import - export of non-food and food products not including finished medicinal products, guns, ammunition, weapons, products, and equipment intended for defence and civil protection
- * Performance of investment works abroad, and cession of investment works to foreign persons in the country
- * International transport of passengers and goods
- * Representation of foreign companies
- * Researching services and providing and using of data and know-how in the field of economy
- * Certification services
- * Financial engineering

Article 7

In performing its subjects of business, the main priorities of the Company are:

- Generating profits
- Development and growth of the Company and companies that are part of the KONČAR Group
- Assuring a high quality of life for its employees and a high quality of their working environment

II. REPRESENTATION OF THE COMPANY

Article 8

The Company is jointly represented by any two members of the Management Board.

III. SHARE CAPITAL

Article 9

The share capital of the Company amounts to HRK 1,208,895,930.00 (in letters: one billion two hundred and eight million eight hundred ninety-five thousand nine hundred thirty Croatian Kuna).

The share capital is divided into 2,572,119 (in letters: two million five hundred seventy-two thousand one hundred nineteen) ordinary registered shares, the nominal value of each share being HRK 470.00 (in letters: four hundred seventy Croatian Kuna).

Article 10

The Company's shares are dematerialised securities and exist only in the form of an electronic record in the computer system of the Central Depository and Clearing Company, (Croatian: *Središnje klirinško depozitarno društvo d.d.*) – hereinafter: CDCC.

The transfer of shares is completely free and is not subject to any restrictions.

Transfer of shares, clearing and settlement, as well as any other change in the balance is recorded on the shareholder's account at the CDCC in accordance with the rules and regulations of the CDCC.

In relation to the Company, only the entities registered at the CDCC Depository will be considered shareholders of the Company.

The Company may also keep a book of shares as supplementary records.

IV. APPLICATION OF PROFIT

Article 11

The General Assembly may decide that the profits to shareholders will be paid in company shares.

The Management Board of the Company may, with prior consent from the Supervisory Board, during the business year, pay shareholders an advance through dividends from the foreseeable part of net profits.

After the annual financial reports are approved, the Management Board and the Supervisory Board of the Company may decide that the profit, after paying all liabilities laid down by law, can be allocated into other reserves of the Company, and for those purposes the Management Board may use a maximum of up to 5% (five percent) of available profits referred to in paragraph 2 of this Article, until other reserves reach the amount of ½ of share capital of the Company.

After all liabilities laid down by law are paid, at the proposal of the Management Board, the General Assembly adopts a decision on the distribution of the Company's profit, the amount and method of dividend payment.

The deadline for dividend payment is 30 (thirty) days as of the date the decision on payment was adopted, unless the General Assembly decides otherwise.

V. BODIES OF THE COMPANY

Article 12

Bodies of the Company are:

- a) General Assembly,
- b) Supervisory Board and
- c) Management Board.

General Assembly

Article 13

Members of the General Assembly are shareholders of the Company.

Shareholders may participate in the General Assembly and exercise their right to vote if they in advance in writing apply to participate in the General Assembly, within a deadline prescribed by law.

The balance in the central depository of dematerialised securities of the CDCC on the final day for registration for participation in the General Assembly is relevant for participation in the General Assembly.

Shareholders may be represented by proxies based on a valid written power of attorney issued by the shareholder, or a person authorised for representation, if the shareholder is a legal entity.

The written power of attorney must contain a mention of the proxy, a mention of the shareholder issuing the power of attorney, the total number of shares, the authorisation to participate and vote on behalf of shareholder at the General Assembly, as well as the day of issuance and period of validity of the power of attorney.

To avoid any doubt, if the Company's shares are also held by unincorporated pension funds or investment funds, all rights at the General Assembly on behalf of the pension funds holding shares in the Company are exercised by the pension company, and on behalf of investment funds by the investment fund management company, in their own name and for the account of the fund without legal personality which it manages.

The decision to withdraw the Company's shares from listing on the regulated market is made by a qualified majority, i.e. by votes representing at least 85% (eighty-five percent) of the share capital represented at the General Assembly at the moment the decision is made.

Article 14

The General Assembly is held at the headquarters of the Company.

Each share entitles to one vote.

The General Assembly adopts decisions by a majority of the votes cast by public vote, except when for adopting certain decisions a larger, qualified majority is required by law.

At the General Assembly, it is possible to vote "FOR" or "AGAINST", using plates on which the number of votes is written, ballots, electronic voting devices or in any other appropriate manner that ensures orderly and transparent voting.

Article 15

The General Assembly must be convened in cases that are determined by law and by this Statute, as well as whenever this is necessary for fulfilling the interests of the Company.

The General Assembly must be held within the first eight months of the business year.

The General Assembly is convened by the Management Board of the Company, which decides on it by a simple majority of votes.

The General Assembly may also be convened by the Supervisory Board of the Company under the conditions and in the manner provided by law.

The Management Board is obliged to convene the General Assembly when this is requested by the Supervisory Board or if requested in writing by shareholders who together hold shares in the amount of 1/20 of the share capital of the Company and state the purpose and reason for convening the General Assembly. The request for convening the General Assembly is sent to the Management Board in written form.

The General Assembly is convened by public announcement.

Article 16

The General Assembly is chaired by the Chairman of the General Assembly.

The Chairman of the General Assembly is the Chairman of the Supervisory Board, if present at the General Assembly. If the Chairman of the Supervisory Board is not able to participate, the General Assembly is chaired by the Deputy Chairman of the Supervisory Board.

The Chairman of the General Assembly:

- chairs the meetings of the General Assembly;
- determines the order of discussion of individual items on the agenda,
- decides on the order of voting on individual proposals for decisions,
- decides on all procedural matters of minor importance which are not determined by the law and this Statute, and in procedural matters of greater importance, he is obliged to present the procedural issue for preliminary ruling to the shareholders present at the General Assembly, who then make a decision by simple majority,
- signs the minutes and decisions of the General Assembly;
- performs other tasks assigned to him by the law and this Statute.

The Chairman of the General Assembly will give the floor to the shareholders or their proxies.

The present shareholders and their proxies are, by their conduct, obliged to enable the General Assembly to be held in accordance with the provisions of this Statute and the law.

Supervisory Board

Article 17

The Supervisory Board has 9 (nine) members, 5 (five) of which are elected and dismissed by the General Assembly, 1 (one) representative is appointed by employees in accordance with the provisions of the Labour Act, and 3 (three) representatives, in accordance with Article 256 of the Companies Act, paragraph 3, are appointed by a shareholder Kapitalni Fond d.d. (Capital Fund Plc.), a closed-ended alternative investment fund with public offering, with its registered office in Zagreb, PIN: 08269700991, as long as it holds 25% (twenty five percent) increased by 1 (one) share of the share capital of the Company.

As long as it holds at least 20% of the shares, Kapitalni fond d.d. has the right, in accordance with Article 256, paragraph 3 of the Companies Act, to directly appoint 2 (two) members of the Supervisory Board.

As long as it holds at least 10% of the Company's shares, Kapitalni fond d.d. has the right, in accordance with Article 256, paragraph 3 of the Companies Act, to directly appoint 1 (one) member of the Supervisory Board.

With the decrease in the number of members of the Supervisory Board appointed by Kapitalni fond d.d., the number of members of the Supervisory Board elected by the General Assembly of the Company increases by the same number.

If the prerequisites for the appointing of members of the Supervisory Board determined by this Statute are no longer met, the General Assembly may revoke the appointed members by a simple majority of votes.

When the right to appoint referred to in the previous paragraph of this Article ceases, the General Assembly of the Company elects 8 (eight) out of 9 (nine) members of the Supervisory Board.

Article 18

Members of the Supervisory Board are elected by the General Assembly for a term of up to 4 (four) years, and the same persons may be re-elected. Appointed members of the Supervisory Board referred to in paragraph 1 of Article 17 may be appointed for a maximum of 2 (two) consecutive terms.

Article 19

The members of the Supervisory Board elected by the General Assembly elect the Chairman of the Supervisory Board from among themselves, and his deputy is elected by the members that were appointed by Kapitalni fond.

The Supervisory Board works and makes its decisions at its meetings, and it may adopt decisions if at least half of the total prescribed number of its members are present at the meeting.

The Supervisory Board adopts its decisions by a majority of cast votes, each member of the Supervisory Board is entitled to one vote. If the votes are equally divided, the vote of the Chairman of the Supervisory Board shall be the casting vote.

An absent member of the Supervisory Board may participate in the decision-making by voting by telephone or in writing (letter, e-mail, or fax).

The Supervisory Board may adopt decisions without holding meetings, by correspondence (via letter, telephone, fax, e-mail or other appropriate means), if none of the members requests that the meeting is held or if holding the meeting is impossible due to force majeure (including, but not limited to, e.g. declared epidemic, declared natural disaster, etc.).

Article 20

Members of the Supervisory Board are entitled to remuneration for their work, and the amount of remuneration is determined by the General Assembly of the Company.

The Supervisory Board may review and examine all business books and documents of the Company.

The reports of the Management Board, that, as defined by law, it must submit to the Supervisory Board, also need to include all companies that together with this Company are part of the group of companies (concern), and at the request of the Supervisory Board, other documents as well.

The manner in which the Supervisory Board works is determined in more detail by the Rules of Procedure of the Supervisory Board, which are adopted and amended by the Supervisory Board of the Company.

The Supervisory Board and each of its members are obliged to protect the interests of the Company.

The Supervisory Board may appoint committees for the purpose of preparing decisions of the Supervisory Board and supervising their implementation.

Management Board

Article 21

The Management Board consists of 3 (three) to 7 (seven) members. The term of office of the members of the Management Board lasts for a maximum of 5 (five) years, with

the possibility of reappointment. The decisions on appointment and dismissal, the number of members of the Management Board and the duration of their term of office are made by the Supervisory Board. If the Management Board consists of more members, the Supervisory Board must appoint one of them as the Chairman of the Management Board of the Company. A candidate for the Chairman of the Management Board may be proposed to the Supervisory Board by the shareholder who individually holds the largest share in the share capital of the Company

Article 22

The members of the Management Board manage the affairs of the Company based on the division of work between the members of the Management Board for certain areas of activity or for a certain scope of business.

The manner in which the Management Board works and the division of tasks among the members of the Management Board in terms of the previous paragraph shall be regulated by the Rules of Procedure of the Management Board, which is adopted unanimously by the Management Board, with the prior consent of the Supervisory Board.

The Management Board meets when this is necessary.

If the Management Board consists of more members, the quorum for the meetings of the Management Board is more than half of the appointed members of the Management Board, and the Management Board makes decisions by a majority vote of the present or represented members of the Management Board. If the votes in the decision-making process are equally divided, the vote of the Chairman of the Management Board shall be the casting vote.

The members of the Management Board are obliged to inform each other about the intention to adopt decisions and to try to harmonise their opinions on them.

Decisions of the Management Board are stated in the minutes drawn up at the meeting of the Management Board.

The Chairman of the Management Board has the rights and obligations determined by law, this Statute, the Rules of Procedure of the Management Board, and other general acts of the Company and decisions of the bodies of the Company.

The Chairman of the Management Board chairs the meetings of the Management Board, coordinates the management of the Company's operations, and submits reports to the Supervisory Board and the General Assembly of the Company on behalf of the Management Board.

A member of the Management Board has powers and duties determined in accordance with the law, this Statute, the Rules of Procedure of the Management Board and other internal acts of the Company.

Article 23

The Management Board may not, without explicit prior written consent of the Supervisory Board, take any of the following legal actions and/or legal transactions, nor may it adopt a decision, which it is otherwise authorised to make, on:

- a) concluding any written or oral agreement with other natural and/or legal persons by means of which any liability for the Company, the value of which exceeds the amount of 5% (five percent) of share capital of the Company arises or changes, is assumed and/or accepted, or by which, regardless of value, liabilities for a period of more than 5 (five) years are accepted and/ or assumed,
- b) the use of membership rights in related trading companies of the Company (related company) when in those related companies it is decided on
 - (i) an increase and/or decrease in share capital, in the amount of more than 10% (ten percent) of the share capital of the related company
 - (ii) status changes,
 - (iii) termination of a related company,
 - (iv) amendments to the Statute or Articles of Association, and
 - (v) concluding, amending or terminating business contracts
- c) any status change of the Company, including any form of acquisition or merger, transfer, establishment of a new company and termination of the Company,
- d) purchase, sale, transfer, lien or other disposal of real estate, shares and/ or other securities and business shares in other companies owned by the Company, in the amount of more than 10% of the share capital of the related company.

All directly or indirectly related acceptances and/or liabilities or dispositions of assets, which in business practice and commonly are considered a single transaction, will be considered a single legal action or legal transaction, regardless of whether formally those are multiple legal actions or legal transactions whose individual value does not exceed the amount of 5% (five percent) of the share capital of the Company.

VI. MANAGING OF COMPANIES IN WHICH KONČAR HAS THE MAJORITY OF MEMBERSHIP SHARES/ RIGHTS

Article 24

In companies in which the Company has a majority of membership shares/voting rights, the Company exercises its rights in (general) assemblies in accordance with its membership rights.

Article 25

The rights, obligations and salary of the Management Board in the companies referred to in Article 24 of this Statute shall be regulated by a contract that the Chairman and members of the Management Board conclude with the Chairman of the Supervisory Board of that company.

Article 26

The Management Board of the Company is obliged, in accordance with its membership rights, through the bodies of companies with the majority of membership shares/ rights, to ensure the implementation of its business policy, application of norms and organisational regulations established by the Management Board.

Article 27

Members of the Supervisory Board in the companies referred to in Article 24 of this Statute may exercise the right to compensation and/or remuneration for performing these tasks according to the decision of the (general) assembly of that company.

Representatives of the Company in the Supervisory Board in the companies referred to in Article 24 of this Statute are not entitled to compensation and remuneration referred to in the previous paragraph of this Article of the Statute.

VII. ANNOUNCEMENTS OF THE COMPANY, DURATION AND TERMINATION OF THE COMPANY

Article 28

The Company is established for an indefinite period.

Article 29

The Company may be terminated in a manner laid out by law.

Article 30

Data and announcements of the Company are published on the website on which the court register is located and on the Company's website.

VIII. TRANSITIONAL AND FINAL PROVISIONS

Article 31

The authentic interpretation of the provisions of this Statute shall be given by the General Assembly and shall be decided upon by a simple majority of the cast votes.

The Statute shall enter into force on the day of its entry into the court register of the Commercial Court in Zagreb.

II The fully replaced new text of the Statute shall enter into force on the day it is entered into the court register of the Commercial Court in Zagreb.

III The Management Board of the Company must submit an application for the entry of the amendment to the Statute into the Court Register to the Commercial Court in Zagreb.

President of the General Assembly
Joško Miliša