

Pursuant the Trading Company Act, Article 277, Para 2 and 3 and the Statutes of KONČAR – ELECTRICAL INDUSTRY Inc., Zagreb, Fallerovo šetalište 22, Article 33, and on the basis of the Conclusion of the Government of the Republic of Croatia and the Managing Board Decision of 31st October, 2014 on convening of the EGM, we hereby announce convening of and invitation to the

EXTRAORDINARY GENERAL MEETING OF KONČAR – ELECTRICAL INDUSTRY Inc.

To be held at the premises of KONČAR – ELECTRICAL INDUSTRY Inc., Fallerovo šetalište 22, Zagreb, Room 407-8, on the day of 15th December, 2014, beginning at 11:00 a.m. with the following

Agenda:

1. Opening of the Extraordinary General Meeting and verification of present shareholders
2. a) Decision on the recall of a Supervisory Board Member
b) Decision on the election of Supervisory Board Members

Extraordinary General Meeting Draft Decisions:

The Supervisory Board proposes to the Annual General Meeting to pass the decisions expressed under item 2.

Ad.2.

a)

Pursuant the Trading Company Act, Articles 256, 259 and 275 and the Statutes of KONČAR – ELECTRICAL INDUSTRY Inc., Article 36, on 15th December, 2014, the Extraordinary General Meeting passes the following

DECISION

On the Recall of a Supervisory Board Member

1. The EGM recalls the following Supervisory Board Member:
 - KRISTINA ČELIĆ, PID: 26347284386, from Zagreb, Braće Domany Street No 8
2. This Decision comes into force on the date of its passing.

b)

Pursuant the Trading Company Act, Articles 256, 259 and 275 and the Statutes of KONČAR – ELECTRICAL INDUSTRY Inc., Article 36, on 15th December, 2014, the Extraordinary General Meeting passes the following

DECISION

On the Election of Supervisory Board Members

1. The EGM elects the following gentlemen to be Supervisory Board Members:
 - NIKOLA PLAVEC, PID: 02265209595, from Varaždin, Braće Radića Street No 15b.
 - PETAR MIŠURA, PID: 73733267010, from Šibenik, Milice i Turka Street No 150
2. The EGM elects Supervisory Board Members for the term of office by the expiry of the term of office of the rest of the Supervisory Board Members
3. This Decision comes into force on the date of its passing.

Conditions for participation in the Annual General Meeting and usage of the right to vote:

Every shareholder registered in the Depository of the Central Clearing Depository Association (Središnje klirinško depozitarno društvo - SKDD) shall have right to participate at the Extraordinary General Meeting and use his/her right to vote personally or to be represented by his/her legal representative or proxy, if the shareholder announces his/her intent to participate at the EGM to the Company in written form to the address of the Company with the note "Announcement of participation at the EGM" not later than six (6) days prior to holding of the EGM. Shareholders or their proxies who do not announce participation shall not have an opportunity to participate in the Extraordinary General Meeting.

Every shareholder can be represented by a proxy, a natural or a legal person, on the basis of a validly written power of attorney. Each power of attorney shall comprise the personal data of the shareholder who gives the power of attorney, the number of shares or votes he/she possesses, the power of attorney to the proxy to participate in the Extraordinary General Meeting and to vote and the date of the power of attorney and the time of its validity. Every power of attorney given by a natural person shall be signed in front of a public notary or in the Company premises in front of the person authorised by the Company Managing Board.

Every power of attorney can be submitted by post or personally in the headquarters of the Company, Shareholders Office every working day by the beginning of the Extraordinary General Meeting or immediately during identification at the EGM. A power of attorney sample is available at the Company web site www.koncar.hr.

Shareholders in the possession of shares in the amount of 5 % of the share capital can send their proposals of any subject to be listed in the Extraordinary General Meeting Agenda to the Managing Board for publication. Any application for listing of a subject on the EGM Agenda shall be received at least 30 days prior to holding of the Extraordinary General Meeting and shareholders shall give an explanation and a draft decision.

Shareholders and their proxies can have an insight into materials representing basic documents for passing of decisions whose drafts are published, at the headquarters of the Company, in the Shareholders Office every working day, except Saturdays, from 10:00 a.m. to 14:00 p.m. from the date of publishing of this Invitation in the Official Journal and at the Company web site.

All data bound to holding of the Annual General Meeting are published at the Company web site.

In case the Extraordinary General Meeting cannot be held on the day of 15th December, 2014 due to the lack of quorum defined by the Statutes, the Extraordinary General Meeting will be held at the same place, on the day of 16th December, 2014 beginning at 11:00.

Managing Board

KONČAR – ELECTRICAL INDUSTRY Inc.