

Zagreb, 3<sup>rd</sup> July 2012**Decisions of the General Assembly of Končar – Electrical Industry Inc. Held on 3<sup>rd</sup> July 2012**

## Agenda of the General Assembly of Končar – Electrical Industry Inc.

1. Opening of the Annual General Meeting and verification of present shareholders
2. Managing Board 2011 Annual Report on the position of the Company and dependent Companies
3. 2011 Financial Reports and KONČAR – ELECTRICAL INDUSTRY Inc. 2011 Consolidated Financial Report including the Auditor Report as determined by the Managing and the Supervisory Boards of the Company.
4. Supervisory Board Report on supervision of management of business operations of the Company in 2011
5. Decision on allocation of 2011 profits
6. Decision on relieve of Managing and Supervisory Board members from duty
  - a) Decision on relive of Managing Board members from duty for the year 2011
  - b) Decision on relive of Supervisory Board members from duty for the year 2011
7. Decision on the remuneration for activities performed in the Supervisory Board
8. Decision on appointment of the Auditor for the year of 2011
9. Decision on impeachment of the Supervisory Board members
10. Decision on appointment of the Supervisory Board members

The General Assembly of Končar – Electrical Industry Inc., which was attended by 2.086.932 votes, which constitutes 81,4% of total votes, has made the following decisions

**Ad.2.**

The General Assembly takes the notice of the Managing Board 2011 Annual Report on the position of the Company and the dependent Companies.

**Ad.3.**

The General Assembly takes the notice of the information on 2011 KONČAR – ELECTRICAL INDUSTRY Inc. Financial Reports and 2011 KONČAR GROUP Consolidated Financial Reports as determined by the Managing and the Supervisory Boards including Auditor Reports on the performed audit of financial reports.

In 2011 the Company generated:

- Total revenues	- in the amount of:	316,993,755	HRK
- Total expenditures	- in the amount of:	246,345,538	HRK
- Profit before taxation	- in the amount of:	70,648,217	HRK
- Income tax	- in the amount of:	0	HRK
- Net profits	- in the amount of:	70,648,217	HRK
- Total assets of the Company:		1,506,194,596	HRK
- Capital, reserves and unallocated profits:		1,297,367,022	HRK
- Total liabilities:		208,827,574	HRK

In 2011 the Končar Group generated:

- Total consolidated revenues	- in the amount of:	2.762.963.425	HRK
- Total consolidated expenditures	- in the amount of:	2.552.143.664	HRK
- Profit before taxation	- in the amount of:	210.819.761	HRK
- Income tax	- in the amount of:	18.582.074	HRK
- Profits after taxation	- in the amount of:	192.237.687	HRK
- Total assets:		3.495.735.075	HRK
- Capital, reserves and unallocated profits:		1.937.208.827	HRK
- Total liabilities:		1.460.915.020	HRK

**Ad.4.**

The General Assembly takes the notice of the Supervisory Board Report on supervision of management of business operations of the Company in 2011.

**Ad. 5.**

Decision on allocation of 2011 profits:

1. Available/remaining profits generated in the business year of 2011 in the amount of HRK 30,750.060 are allocated for payment of dividends in the amount of HRK 12.00 per share;
2. Dividends shall be paid to every shareholder that is registered in the Depository of the Central Clearing Depository Association (SKDD) as a holder of rights arising from the share on the date that falls 15 (fifteen) days after holding of the AGM. That is the date of acquisition of the right to payment of dividends.
3. The payment of any dividend shall be executed not later than 15 (fifteen) days from the date of acquisition of the claim to pay the dividend.

Explanation:

KONČAR – ELECTRICAL INDUSTRY Inc. Managing and Supervisory Boards determined the Company 2011 Financial Reports on 30<sup>th</sup> March, 2012.

The net profits generated in 2011 in the amount of HRK 70.648.217,44 are allocated to:

- Legal reserves (5 %)	- in the amount of	3,532.410.87 HRK
- Statutory reserves	- in the amount of	18,182,873,28 HRK
- Other reserves	- in the amount of	18,182,873,29 HRK
Total		39,898,157.44 HRK
Remaining available profits		30,750,060.00 HRK

The Managing and Supervisory Boards have proposed to KONČAR – ELECTRICAL INDUSTRY Inc. Annual General Meeting to:

- distribute remaining available profits in the amount of HRK 30,750,060 to shareholders as dividends. A dividend per share amounts to HRK 12.00. ((the total number of shares 2,572,119 decreased by company own shares 9,614 equals to 2,562,505 shares. HRK 30,750,060.00: 2,562,505 shares = HRK 12.00 per share)

**Ad.6.**

a)

The Company Managing Board members are relieved of duty to manage business operations of the Company in 2011.

b)

The Company Supervisory Board members are relieved of duty to supervise managing of business operations of the Company in 2011.

**Ad.7.**

The Company Supervisory Board members shall receive one-off remuneration for the achieved 2011 business result in the amount of 1/10 of the amount of remuneration of each Company Managing Board member, while the Supervisory Board Chairman and Deputy Chairman shall receive one-off remuneration in the amount of 1/10 of the remuneration of the Managing Board Chairman. The paid amounts shall be net amounts and the Company shall pay associated taxes, local taxes and contributions.

**Ad.8.**

Companies Grant Thornton d.o.o. from Zagreb, Koranska 16 and Reconsult d.o.o. from Zagreb, Trg hrvatskih velikana 4/1 are commonly appointed auditors for KONČAR – ELECTRICAL INDUSTRY Inc. Financial Reports and the KONČAR Group Consolidated Financial Reports for the year of 2011.

**Ad.9.**

The following Supervisory Board Members are recalled from duty :

- Božidar Piller, the Supervisory Board President
- Djuro Perica, a Member
- Nenad Matić, a Member
- Elvis Kovačević, a Member
- Kristijan Floričić, a Member
- Vicko Ferić, a Member

**Ad.10.**

The following ladies and gentlemen are elected to be Supervisory Board Members:

- Sc. D. Tomislav Radoš, PID: 96118819751, Gračanski Mihaljevac 2d, Zagreb
- Nenad Filipović, PID: 50609858137, Ružmarinka 35, Zagreb

- Sc. D. Kristina Čelić, PID: 26347284386, Braće Domany 8, Zagreb
- Petar Vlaić, PID: 95645311308, Ljubljanska 85, Zagreb
- Vicko Ferić, PID: 78639377930, Jurjevska 58, Zagreb

Supervisory Board Members are elected for the term of office of four (4) years, beginning on 3<sup>rd</sup> July, 2012

Managing Bord

Končar-Electrical Industry Inc.