

**Končar - Elektroindustrija d.d.**  
Zagreb, Fallerovo šetalište 22

Pursuant to the provisions of Article 277, paragraphs 2 and 3 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) and Article 33 of the Statute of Končar - Elektroindustrija d.d., Zagreb, Fallerovo šetalište 22, as well as the Decision of the Management Board on the convening of the General Assembly of 28 May 2020, the convening and invitation to

**The General Assembly of Končar - Elektroindustrija d.d.**

is hereby announced. The General Assembly will take place 09 July 2020, starting at 12:00 in Zagreb, Fallerovo šetalište 22, in the office tower of Končar - Elektroindustrija d.d., in the grand hall on the 11<sup>th</sup> floor, for which the opening of the General Assembly and establishing of the present shareholders are determined, as well as the following

**Agenda:**

1. Annual report of the Management Board on the condition of the Company and its subsidiaries for 2019
2. Annual financial statements and the consolidated annual report of Končar - Elektroindustrija d.d. for 2019 with the auditor's report, after they have been approved by the Management Board and the Supervisory Board of the Company
3. Report of the Supervisory Board on the supervision of the Company's operations in 2019.
4. Decision on the allocation of distributable profit
5. Decision on granting discharge to the members of the Management Board and the Supervisory Board
  - a) Decision on granting discharge to the members of the Management Board for 2019.
  - b) Decision on granting discharge to the members of the Supervisory Board for 2019.
6. Decision on the election of members of the Supervisory Board
7. Decision on the approval of the Remuneration Policy
8. Decision on the appointment of auditors for 2020

The Management Board and the Supervisory Board jointly propose to the General Assembly the taking of decisions under items 4 and 5, and the Supervisory Board under items 6, 7 and 8 of the Agenda.

The General Assembly shall not take decisions under items 1, 2 and 3 of the agenda, but shall take note of them.

**Proposals for the Decisions:**

**Ad.1** The General Assembly takes note of the report of the Management Board on the state of the Company and its subsidiaries for 2019.

**Ad.2** The General Assembly takes note of the information on the financial statements of Končar - Elektroindustrija d.d. and the consolidated financial statements of the Končar Group for 2019 approved by the Management Board and the Supervisory

Board together with the Auditor's reports on the completed audit of the financial statements.

In 2019, the company earned in thousand HRK:

- total income	- in the amount of:	HRK 122,287,
- total expenses	- in the amount of:	HRK 114,937,
- profit before tax	- in the amount of:	HRK 7,350,
- income tax	- in the amount of:	HRK 0,
- net profit	- in the amount of:	HRK 7,350,
- balance of total assets of the Company:	- in the amount of:	HRK 1,682,829,
- capital, reserves and retained profit	- in the amount of:	HRK 1,644,998.

In 2019, the Končar Group earned in thousand HRK:

- total consolidated income	- in the amount of:	HRK 2,985,117,
- total consolidated expenses	- in the amount of:	HRK 2,916,028,
- profit before tax	- in the amount of:	HRK 69,089,
- income tax	- in the amount of:	HRK 17,037,
- profit after tax	- in the amount of:	HRK 52,052,
- profit from discontinued operations	- in the amount of:	HRK 2,902,
- profit for the period	- in the amount of:	HRK 54,954,
- balance of total assets	- in the amount of:	HRK 3,927,355,
- capital, reserves and retained earnings	- in the amount of:	HRK 2,542,161.

**Ad.3** The General Assembly takes note of the report of the Supervisory Board on the supervision over the management of the Company's operations in 2019.

**Ad. 4** Pursuant to the provision of Article 220 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 40/19) the General Assembly of Končar - Elektroindustrija d.d. on 09 July 2020 takes the following

#### **Decision**

on the distribution of distributable profit for 2019

**I** Distributable profit in the amount of HRK 3,491,322.29 is allocated to retained profit.

#### **E x p l a n a t i o n**

At the meeting of the Supervisory Board on 15 April 2020, the Management Board and the Supervisory Board of Končar - Elektroindustrija d.d. approved the financial statements of the Company.

The net profit of Končar - Elektroindustrija d.d. realized in the business year 2019 amounts to HRK 7,350,152.19. Profit in the amount of HRK 7,350,152.19 was allocated to:

- legal reserves (5%)	- in the amount of:	HRK 367,507.61,
- other reserves	- in the amount of:	HRK 3,491,322.29,
Total:		HRK 3,858,829.90.

The Management Board and the Supervisory Board proposed to the General Assembly of Končar - Elektroindustrija d.d. that the remaining profit in the amount of HRK 3,491,322.29 be allocated to retained profit.

**Ad.5. a)** 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, 111/12, 68 / 13, 110/15 and 40/19) the General Assembly of Končar - Elektroindustrija d.d. on 09 July 2020 takes the following

### **Decision**

Discharge is given to the members of the Management Board for the management of business operations in 2019.

**b)** 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, 111/12, 68 / 13, 110/15 and 40/19) the General Assembly of Končar - Elektroindustrija d.d. on 09 July 2020 takes the following

### **Decision**

Discharge is given to the members of the Supervisory Board for supervising the management of the Company in 2019.

**Ad.6** 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, 111/12, 68 / 13, 110/15 and 40/19) the General Assembly of Končar - Elektroindustrija d.d. on 09 July 2020 takes the following

### **Decision**

**I** It is established that for the following members of the Supervisory Board  
- Vicko Ferić, PIN: 78639377930, Zagreb, Jurjevska 58,  
- Branko Lampl, PIN: 60309355253, Zagreb, Petrova 40,  
- Joško Miliša, PIN: 39972942361, Zagreb, Srebrnjak 131 and  
- Nikola Anić, PIN: 52065340758, Zagreb, Dugavska 30  
the period for which they were elected as members of the Supervisory Board expires on 12 July 2020.

**II** The following members of the Supervisory Board are elected:  
- Branko Lampl, PIN: 60309355253, Zagreb, Petrova 40, pensioner  
- Joško Miliša, PIN: 39972942361, Zagreb, Srebrnjak 131, President of the Management Board of the fund management company  
- Ivan Milčić, PIN: 73664447737, Zagreb, Drage Gervaisa 35, pensioner  
- Mario Radaković, PIN: 98163346902, Zagreb, Palinovečka ulica 19g, financial, accounting and IT consultant  
- Danko Škare, PIN: 29301266478, Zagreb, Ulica grada Vukovara 240, lawyer  
for the period from 13 July 2020 to 12 July 2024

**III** This Decision shall enter into force on the day of its adoption and shall apply from 13 July 2020.

**Ad.7** Pursuant to the provisions of Articles 275 and 247 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 40/19) the General Assembly of Končar - Elektroindustrija d.d. on 09 July 2020 takes the following

### **Decision**

The Remuneration Policy established by the Supervisory Board is approved in its entirety, without any objections.

**Ad.8** 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, 111/12, 68/13, 110/15 and 40/90) the General Assembly of Končar - Elektroindustrija d.d. on 09 July 2020 takes the following

## **Decision**

The auditing company KPMG Croatia doo, Ivana Lučića 2a/17 from Zagreb is appointed as the auditor of the financial statements of the company Končar - Elektroindustrija d.d. and the consolidated financial statements of the Končar Group for 2020

### **Conditions for participating in the work of the General Assembly and exercising voting rights:**

All shareholders who are registered in the register of dematerialized securities of SKDD d.d. (the Central Depository and Clearing Company) seven (7) days prior to the General Assembly, i.e. on 1 July 2020, have the right to participate and exercise their voting rights at the General Assembly of the Company, in person or through legal representatives or proxies, provided that no later than six (6) days before the General Assembly, i.e. by and including 2 July 2020, they notify the Company of their intention to participate in the General Assembly in writing and deliver it at the address of the Company with the indication "Application for participation in the General Assembly" (09/07/2020). Shareholders, i.e. proxies who do not register their participation will not be able to participate in the work of the General Assembly.

Shareholders may be represented by proxies, natural or legal persons, based on a valid written power of attorney. The power of attorney must contain the personal data of the shareholder giving the power of attorney, the number of shares or votes at their disposal, the authorisation for the proxy to participate in the General Assembly and in the vote, and the date of issuance and period of validity of the power of attorney. If the power of attorney is issued by a natural person, the signature of the natural person must be certified by a notary public or in the Company by a person authorized for this by the Management Board.

The power of attorney may be delivered by mail or in person at the Company's headquarters, to the Shareholders and Investors Relations Office on working days until the beginning of the General Assembly or immediately upon identification at the General Assembly. Power of attorney forms are available on the company's website [www.koncar.hr](http://www.koncar.hr).

Shareholders holding shares that amount to 5% of the share capital may submit a proposal to the Management Board for placing an item on the agenda of the General Assembly and for it to be published. The proposal for placing an item on the agenda must be received by the Company at least 30 days before the General Assembly and the shareholders must provide an explanation and a proposal for the decision.

Shareholders and their proxies may inspect the materials that form the basis for adopting the published proposals for decisions at the Company's headquarters, in the Shareholders and Investors Relations Office every working day, except Saturday, from 14:00 to 14:00 from the date of publication of this invitation on the websites of the court register and the Company.

All information related to the convening of the General Assembly is published on the Company's website.

If the General Assembly cannot not be held on 9 July 2020 due to a lack of a quorum set out by the Statute, the General Assembly will be held on 10 July 2020 starting at 12:00 at the same location.

Due to the extraordinary circumstances caused by the coronavirus (COVID-19) pandemic, when participating in the General Assembly, shareholders must comply with health and safety recommendations and decisions of the Civil Protection Directorate of the Republic of Croatia, as well as with the measures that will be implemented by the Company in line with those decisions.

President of the Management Board:

M.Sc.Eng. Gordan Kolak