

## **PROPOSAL OF DECISION ON ADOPTION OF THE BOARD OF DIRECTORS' ANNUAL REPORT ON THE STATE AND BUSINESS OPERATIONS OF THE COMPANY**

Pursuant to Article 329, paragraph 1, No. 9) of the Law on Companies ("Official Gazette of the Republic of Serbia" No. 36/20136/2011, 99/2011, 83/2014 - other Law, 5/2015, 44/2018, 95 / 2018 and 91/2019) (hereinafter: The Law), and based on the proposal of the Board of Directors Company FINTEL ENERGIJA AD BEOGRAD, company number: 20305266 (hereinafter: "Company"), in its meeting held on 29 July 2020, the Assembly of the Company renders the following

### **DECISION ON ADOPTION OF THE BOARD OF DIRECTORS' ANNUAL REPORT ON THE STATE AND BUSINESS OPERATIONS OF THE COMPANY**

The Report on the work of the Board of Directors on the status and business of the Company is adopted, as in the attached material, which forms an integral part of this Decision.

#### **Explanation**

Based on the provisions of the positive regulations, the Decision was made as in the wording.

### **ATTACHMENT TO PROPOSAL OF DECISION ON ADOPTION OF THE BOARD OF DIRECTORS' ANNUAL REPORT OF ON THE STATE AND BUSINESS OPERATIONS OF THE COMPANY**

#### **I Report on the work of the Board of Directors between two regular annual meeting of the Assembly of the Company**

The Board of Directors has held in the period between two regular annual meetings of the Assembly to date, a total of 1 session, in which, according to its competence, it considered and decided on aspects of the Company's work and business operations:

##### **Meeting 27 April 2020**

- Verification of the Minutes from the previous meeting of the Board of Directors;
- Adoption of Consolidated and Stand-alone financial statements for 2019.

## **II REPORT ON CHANGING THE COMPOSITION OF THE BOARD OF DIRECTORS AND THE NUMBER OF DIRECTORS IN RELATION TO ARTICLE 412 OF THE APPLICABLE LAW ON COMPANIES**

During the period between the two regular annual meetings of the Assembly, the Board of Directors performed its duties in accordance with the applicable regulations, in the optimum number, composition and qualifications of its members. The Board of Directors has 5 members, one of which is an Executive Director and is An employee of the Company, one member is non-executive and President of the Board of Directors, and three members are independent members. All members of the Board of Directors have high or higher education and long-standing experience in managing companies.

## **III REPORT ON CONTRACTS CONCLUDED BETWEEN THE COMPANY AND THE DIRECTOR**

The Company entered into a part-time work contract with a member of the Board of Directors, who is also the executive director and legal representative, in the content approved by the Shareholder's Assembly at the extraordinary meeting held on 28 March 2018, during the whole period of validity of his mandate as a legal representative of the Company and on the basis of that contract, he receives a salary in accordance with the Labor Contract. Members of the Board of Directors perform their functions without compensation.

## **IV REPORT ON THE COMPLIANCE OF THE COMPANY'S BUSINESS OPERATIONS WITH THE LAW AND REGULATIONS**

In the course of 2019, there were no discrepancies or irregularities in the work of the Company. Based on the information available to the Board of Directors, the Company's operations are fully harmonized with the law, other positive regulations and internal acts of the Company.

## **V REPORT ON ACCOUNTING PRACTISE AND THE PRACTISE OF FINANCIAL REPORTING OF THE COMPANY AND ITS AFFILIATED COMPANIES, AS WELL AS THE QUALIFICATION AND INDEPENDENCE OF THE AUDITOR IN RELATION TO THE COMPANY**

In the Company as well as in its affiliated companies, accounting practices and financial reporting practices have been applied in full in accordance with current positive regulations, internal regulations and international standards. The auditor who audited the financial statements, including the consolidated financial statements of the Company for 2019 PriceWaterhouseCoopers d.o.o. Beograd, Omladinskih Brigada 88a, is an independent and qualified auditor, registered in the official registry of auditors in the Republic of Serbia and, according to the knowledge and belief of the Board of Directors, the audit has been carried out conscientiously, professionally and in accordance with positive regulations and valid standards.

FINTEL ENERGIJA AD BEOGRAD

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Tiziano Giovannetti,  
President of the Assembly