

KONČAR - Electrical Industry Inc.
Zagreb, Fallerovo šetalište 22

General Assembly

Pursuant to the Resolution of the General Assembly of Končar - Electrical Industry Inc. (hereinafter: the Company) of 10 June 2022, the Company's Articles of Association are hereby laid down in their entirety and in the final version as following:

ARTICLES OF ASSOCIATION of KONČAR - ELECTRICAL INDUSTRY Inc.

I. COMPANY, REGISTERED SEAT AND COMPANY OBJECTS

Article 1

The Company shall operate under the name: Končar - Elektroindustrija d.d.

The abbreviated name of the Company shall read: Končar d.d.

The name of the Company translated into English shall read: Končar – Electrical Industry Inc.

The abbreviated name of the Company translated into English shall read: Končar Inc.

Article 2

The registered seat of the Company shall be in Zagreb.

The General Assembly of the Company shall be entitled to pass a resolution on the change of the registered seat of the Company.

The Management Board of the Company shall be entitled to make a decision on the change of the registered seat address with prior consent of the Company's Supervisory Board.

Article 3

The Company may establish branches for the purpose of the performance of business activities at locations other than the premises of the registered seat. The branches shall be established by the decision of the Company's Management Board with prior consent of the Company's Supervisory Board.

Article 4

The form, size, the manner of the use and safekeeping of the stamp and the seal, as well as the contents of the logotype, shall be laid down by the Management Board of the Bank.

Article 5

The Company owns the recognized KONČAR trademark, registered with the State Intellectual Property Office under the number Z20220081 (for the figurative mark: **KONČAR**) and under the number Z20220082 (for the word mark: Končar).

Article 6

The Company shall perform the following scope of activities in its operations, namely:

- 28 Manufacture of fabricated metal products, except machinery and equipment,
- 29 Manufacture of machinery and equipment n.e.c.,
- 30 Manufacture of electrical equipment n.e.c,
- 35 Manufacture of other transport equipment,
- 51 Wholesale trade, except of motor vehicles and motorcycles,
- 52 Retail trade; repair of household goods,
- 65 Financial service activities, except insurance and pension funding,
- 69.20 Accounting, bookkeeping and auditing activities; tax consultancy,
- 74.15 Activities of head offices,
- 74.20 Architectural and engineering activities and related technical consultancy,
- * Import/export of food and non-food products except pharmaceutical products, weapons and ammunition, defence and civil protection related products and equipment,
- * Investment activities in foreign markets and outsourcing of investment activities in the domestic market,
- * International passenger and freight transportation services,
- * Representation of foreign companies,
- * Research and development, provision of services and knowledge in business,
- * Certification services,
- * Financial engineering.

Article 7

The main priorities of the Company's business operations and the Company's objects are:

- Profit generation;
- Development and growth of the Company and Končar Group members;
- Ensuring high quality of life and work environment.

II. COMPANY REPRESENTATION

Article 8

The Company shall be represented jointly by 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 words: one billion two hundred eight million eight hundred ninety-five thousand nine hundred and thirty).

The Company's share capital is divided into 2,572,119 (in words: two million five hundred seventy-two thousand one hundred and nineteen) ordinary registered shares, each with a nominal value of HRK 470.00 (in words: four hundred and seventy).

Article 10

The shares of the Company have been issued in dematerialized form. Shares as dematerialized securities shall be deposited exclusively in the electronic format with the central depository of dematerialized securities operated by the Central Depository and Clearing Company (hereinafter CDCC).

Shares as dematerialized securities shall be freely transferable and shall not be subject to any restrictions.

Transfer of title, settlement and any other change in the status attached to the shares shall be deemed carried out if such rights have been registered in the Shareholder's account with the CDCC in compliance with the regulations and enactments thereof.

A Shareholder who has dematerialized shares of the Company deposited in his account with the CDCC shall be deemed the Shareholder of the Company.

The Company may keep a Book of Shares as an ancillary record.

IV. DISTRIBUTION OF PROFITS

Article 11

The General Assembly shall be authorized to pass a resolution on the distribution of profits to the Shareholders of the Company.

The Management Board of the Company may, with prior consent of the Supervisory Board distribute a foreseeable dividend to the Shareholders in the course of the business year.

After the annual financial statements are confirmed by the Management Board and the Supervisory Board, the Boards on that occasions and upon allocation for purposes defined by law, may decide to allocate to other reserves and for the purposes of the Management Board not more than up to 5% (five percent) of the net profit, which has remained after allocation of the net profit from paragraph 2 of this Article, until the other reserves reach the amount corresponding to the half of the Company's share capital.

Upon the allocation of the net profit for the purposes stipulated by law, and on the proposal of the Management Board, the General Assembly shall be authorized to pass a resolution on the distribution of the profits, including the amount and the manner of dividend distribution.

The dividend shall be distributed no later than 30 (in words: thirty) days from the date of the dividend distribution resolution, unless otherwise determined by the General Assembly.

V. BODIES OF THE COMPANY

Article 12

The Bodies of the Company shall be:

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

General Assembly

Article 13

The Company's Shareholders shall exercise their rights at the General Assembly.

The Shareholders shall be entitled to attend the General Assembly and exercise their voting rights providing they register their attendance at the General Assembly in written form within the deadlines provided for by law.

For the purpose of attendance at the General Assembly, the balance of the shares in the Depository of the dematerialized securities with the Central Depository and Clearing Company on the last day eligible for registration shall be deemed relevant.

Shareholders shall be entitled to attend the General Meeting in person or to be represented by a proxy. Shareholders may be represented by their proxies on the basis of a written power of attorney executed by the Shareholder for that particular purpose, i.e., executed on behalf of the Shareholder who is a legal entity by a person authorized by law to represent it.

The written power of attorney shall contain the identification data of the proxy, identification data of the Shareholder, the total number of shares, authorization to participate in voting and individual voting instructions, the date of issuing and the period of validity.

For the avoidance of doubt, in the event when the Shareholders of the Company are pension funds or investment funds without legal personality, all rights at the General Assembly on behalf of the pension fund that hold shares of the Company shall be exercised by the relevant pension fund management company, while all the rights on behalf of the investment fund shall be exercised by the relevant investment fund management company operating in its own name and on behalf of the fund without legal personality.

The resolution on the withdrawal of shares from the regulated market shall be made by a qualified majority, i.e., votes representing at least 85% (eighty-five percent) of the share capital represented at the General Assembly when the resolution is passed.

Article 14

The General Assembly shall be convened at the premises of the Company's registered seat.

The Company shall operate a one-share-one-vote rule.

The General Assembly shall pass valid resolutions by a majority of the votes cast (simple majority) by the Shareholders present in person or by proxy, unless the law stipulates qualified majority in particular cases.

Shareholders shall cast FOR or AGAINST votes at the General Assembly by means of boards indicating the number of votes held, ballot papers, electronic voting devices or in any other appropriate manner that ensures orderly and transparent voting.

Article 15

The General Assembly shall be convened when it is stipulated by law and the Articles of Association herein, and in the event when it is deemed necessary in the interests of the Company.

The General Assembly shall be convened in the first eight months of the business year.

The General Assembly shall be convened by the Management Board of the Company and the corresponding decision shall be made by a simple majority.

The General Assembly may be convened by the Supervisory Board of the Company, in compliance with the conditions and in the manner defined by law.

The Management Board of the Company shall be obliged to convene the General Assembly when requested to do so by the Supervisory Board or upon receiving a written request for the convention of the Shareholders who together hold no less than one twentieth of the Company's share capital and on condition that they clearly stipulate the purpose and the reason of the convention. The written request for the convention of the General Assembly shall be delivered to the Management Board.

The General Assembly shall be convened by public notice on the convention.

Article 16

The General Assembly shall be chaired by the Chairperson of the General Assembly.

The President of the Supervisory Board shall assume the role of the Chairperson of the General Assembly, on condition they are in attendance at the General Assembly. If the President of the Supervisory Board is prevented from attending, the General Assembly shall be chaired by the Deputy President of the Supervisory Board.

The Chairperson of the General Assembly shall:

- chair the General Assembly;
- decide on the order of business in discussions of individual items on the agenda;
- decide on the sequence of voting on individual resolutions;
- decide on all procedural issues of minor significance which are not laid down by law and these Articles of Association, whereas on procedural issues of greater significance they shall be obliged to submit the decision to the attending Shareholders at the General Assembly in order to obtain prior consent thereof;
- sign the minutes and resolutions of the General Assembly;

- perform other tasks within their competence in compliance with the law and these Articles of Association.

The Shareholders and their authorized proxies shall be addressed by the Chairperson of the General Assembly.

The Shareholders attending the General Assembly and their authorized proxies shall undertake to conduct the General Assembly in compliance with the provisions of these Articles of Association and law.

Supervisory Board

Article 17

The Supervisory Board shall be comprised of 9 (nine) Members, of which 5 (five) shall be elected and recalled by the General Assembly, 1 (one) shall be appointed by the workers pursuant to the provisions of the Labour Act, and pursuant to Article 256 paragraph 3 of the Companies Act, 3 (three) shall be appointed by the Company's Shareholder Kapitalni fond p.l.c, closed-end alternative investment fund with a private offering with a registered seat in Zagreb, PIN:08269700991 (hereinafter: Kapitalni fond p.l.c.) as long as it holds the Company shares representing 25% (in letters: twenty-five percent) plus 1 (one) share of the Company's share capital.

Pursuant to Article 256 paragraph 3 of the Companies Act, as long as Kapitalni fond p.l.c holds no less than 20% of the shares, it shall be entitled to directly appoint 2 (two) Members of the Supervisory Board.

Pursuant to Article 256 paragraph 3 of the Companies Act, as long as Kapitalni fond p.l.c holds no less than 10% of the shares, it shall be entitled to directly appoint 1 (one) Member of the Supervisory Board.

In the event when the number of the Members of the Supervisory Board appointed by Kapitalni fond p.l.c decreases, the number of the Members of the Supervisory Board elected by the General Assembly shall increase by the corresponding number.

In the event when the conditions for the appointment of the Members of the Supervisory Board stipulated by the Articles of Association herein are not met, the General Assembly may recall the appointed Members by a resolution with a simple majority.

Upon termination of the appointment rights from the previous paragraph of this Article, the General Assembly of the Company shall be entitled to elect 8 (eight) out of the total of 9 (nine) Members of the Supervisory Board.

Article 18

The Members of the Supervisory Board shall be appointed by the General Assembly to a four-year term and they may be reappointed. The Members of the Supervisory Board appointed as per Article 17 paragraph 1 of the Articles of Association herein shall be entitled to serve two consecutive terms at most.

Article 19

The Members of the Supervisory Board elected by the General Assembly shall elect among themselves the President, and the Members appointed by Kapitalni fond p.l.c shall elect the Deputy President of the Supervisory Board.

The Supervisory Board shall conduct business and pass resolutions at the sessions. It shall make resolutions if more than a half of the total number of the Members as set forth herein are in attendance at the session.

The Supervisory Board shall make valid resolutions by the majority of the votes cast. Each and every Member of the Supervisory Board shall be entitled to one vote. In the event of a tie vote, the vote of the President of the Supervisory Board shall be decisive.

The Members of the Supervisory Board who are prevented from attending sessions may participate in passing resolutions by casting their votes by phone or in writing (by means of a letter, e-mail or fax).

The Supervisory Board may pass resolutions without convening a session, in writing (by means of a letter, telephone, e-mail, fax or other means deemed suitable), providing no Member of the Supervisory Board is opposed to such a method of resolution, or in the event when convening a session is not possible due to force majeure (including, but not limited to: declared outbreak of an epidemic, declared natural disaster and the like).

Article 20

The Members of the Supervisory Board shall be entitled to remuneration for their work, which is determined and reviewed by the General Assembly of the Company.

The Supervisory Board shall be entitled to examine and review all business books and the documentation of the Company.

The Management Board shall be duly obliged to submit reports to the Supervisory Board pertaining to the Company and all other dependent companies comprising the Group. The Management Board shall submit other documentation at the request of the Supervisory Board.

The method of operation of the Supervisory Board shall be determined in detail by the Supervisory Board Rules of Procedure, which shall be adopted and amended by the Supervisory Board of the Company.

The Supervisory Board collectively and each and every Member individually shall act in the best interest of the Company.

The Supervisory Board may appoint committees for the purpose of preparing the resolutions from its scope of competence and to supervise their implementation.

Management Board

Article 21

The Management Board shall comprise at least 3 (three) and not more than 7 (seven) Members. The Members of the Management Board shall be appointed to serve a term of office of up to 5 (five) years,

and may be re-appointed. The Supervisory Board shall appoint and recall the Members of the Management Board, determine the number of the Members of the Management Board and decide on the duration of their terms of office. If the Company's Management Board consists of several members, the Supervisory Board shall appoint one of them as the President of the Management Board. The candidate nominated by the Supervisory Board for the position of the President of the Management Board may be nominated before the supervisory board of the Shareholder with the largest individual share of the Company's share capital.

Article 22

The Members of the Management Board shall direct and govern the Company's operations in line with the determined scope of competence for a particular business segment or scope of work.

The method of operation and the division of competence among the Members of the Management Board referred to in the previous paragraph of this Article shall be governed by the Management Board Rules of Procedure adopted unanimously by the Management Board, with prior consent of the Supervisory Board.

The Management Board shall meet when the need arises.

If the Management Board is comprised of several Members, the quorum required for the valid meeting of the Management Board shall be established when more than half of the Members are in attendance. The Management Board shall make decisions by the majority of votes cast of the Members in attendance or represented at the meeting. In the event of a tie vote, the vote of the President of the Management Board shall be decisive.

The Members of the Management Board shall duly report one another on their intention to make decisions and shall undertake to align their opinions.

The decisions of the Management Board shall be recorded in the meeting minutes.

The President of the Management Board shall duly discharge all the rights and obligations as defined by law, these Articles of Association, the Management Board Rules of Procedure, and other general acts of the Company as well as the decisions and resolutions of the Company's bodies.

The President of the Management Board shall chair the meetings of the Management Board, coordinate the management of the Company's operations, and submit reports to the Supervisory Board and the General Assembly of the Company on behalf of the Management Board.

A Member of the Board shall duly discharge all the rights and obligations as defined by law, these Articles of Association, the Management Board Rules of Procedure, and other general acts of the Company

Article 23

The Management Board shall not, without obtaining prior explicit written consent of the Supervisory Board, discharge any of the following legal actions and/or legal affairs, nor engage in decision-making it is otherwise authorized to make, when it pertains to:

- (a) conclusion of any written or oral agreement with any physical person and/or legal entity which assumes and/or undertakes, creates and changes any obligation for the Company where the value exceeds the amount of 5% (five percent) of the Company's share capital, or, irrespective of the value, if such an obligation is assumed/undertaken for the period exceeding 5 (five years).
- (b) exercise of membership rights in the affiliated companies when such decisions are made with reference to:
 - (i) increase and/or reduction of the share capital, in the amount exceeding 10% (ten percent) of the share capital of the affiliated company,
 - (ii) changes in the status,
 - (iii) termination of the affiliated company,
 - (iv) amendments of the Articles of Association and
 - (v) conclusion, amendment and termination of business agreements,
- (c) any and all changes in the status of the Company, including each and every type of acquisition, merger, transfer, incorporation and termination of the Company,
- (d) purchase, sale, transfer, lien or other disposal of real estate, shares and/or other securities and shares in other companies owned by the Company, in the amount exceeding 10% (ten percent) of the share capital of the affiliated company.

All directly or indirectly related acceptance and/or undertaking of obligations or disposal of assets, which in business practice and according to common understanding are deemed as one single transaction, shall be deemed as one legal transaction, irrespective of the fact that formally they may include several legal actions or legal transactions the individual value of which does not exceed the amount of 5% (five percent) of the share capital of the Company.

VI. MAJORITY MEMBERSHIP/SHAREHOLDER RIGHTS

Article 24

In those companies in which the Company holds the majority memberships right/voting rights, the Company shall exercise such rights at (general) assemblies pursuant to the membership rights it holds.

Article 25

The rights, duties and the remuneration of the management board at the companies referred to Article 24 of these Articles of Association shall be regulated by an agreement between the respective president and the members of the management board and the respective president of the supervisory board of the company.

Article 26

The Management Board of the Company shall, pursuant to its membership rights and by means of the bodies at companies where the Company holds majority membership/shareholder rights, ensure the implementation of its business policy, the application of norms and organizational acts determined by the Management Board of the Company.

Article 27

The members of the supervisory board pursuant to Article 24 herein may be entitled to remuneration and/or reward for their work, in compliance with the resolution of the general assembly of the relevant company.

The representatives of the Company who serve on the supervisory boards of the companies referred to in Article 24 of the Articles of Association herein shall not be entitled to remuneration and rewards from the previous paragraph of these Articles of Association.

VII. DISCLOSURE OF INFORMATION, DURATION AND TERMINATION OF THE COMPANY

Article 28

The Company shall be incorporated for an indefinite period of time.

Article 29

The Company may be terminated in a manner established by law.

Article 30

Information and notifications pertaining to the Company shall be published on the official website of the competent court register and the official website of the Company.

VIII. TRANSITIONAL AND FINAL PROVISIONS

Article 31

The authentic interpretation of the provisions of these Articles of Association shall be delivered by the General Assembly which shall pass such a resolution by a simple majority of the votes cast.

These Articles of Association shall come into force upon registration with the Court Register of the Commercial Court in Zagreb.

Chairperson of the General Assembly: