

Otp banka d.d.

OTP banka Hrvatske d.d. (in English: OTP Bank of Croatia Inc.), Split, Domovinskog rata 61, PIN: 52508873833 (further on referred to as: OTP Bank), in the name and on the account of Erste Blue Obligatory Pension Fund, B category, PIN: 37688683890) (further on referred to as: the Fund), both parties being represented by Martina Martek, the attorney, from Zagreb, PIN: 34313165469, on the basis of 359.239 (in words: three hundred fifty-nine thousand two hundred thirty-nine) ordinary shares of the issuer KONČAR – ELECTRICAL INDUSTRY Inc., Zagreb, Fallerovo šetalište 22, PIN:45050126417 (further on referred to as: the Company), (the account of the Fund in the Central Clearing Depository Association - SKDD: 9677127), representing more than twentieth part of the share capital of the Company and shares of the Company kept by the Central Clearing Depository Association Ind. From Zagreb (SKDD) in non-materialised form having the security identification KOEI-R-A and the identification HRKOEIRA0009, on the basis and within the open term prescribed in the Trading Company Act, Article 278 (Official Gazette of the Republic of Croatia No 111/93, 34/99, 121/99 – trustworthy interpretation, 52/00 – The Decision of the Constitutional Court of the Republic of Croatia, 118/03, 107/07, 146/08, 137/09, 125/11, 111/12, 68/13 and 110/15) (further on referred to as: the Act) on 13th December, 2018, expresses the following

REQUIREMENT

To supplement the Agenda of the Annual General Meeting of KONČAR – ELECTRICAL INDUSTRY Inc., Zagreb, Fallerovo šetalište 22, PIN: 45050126417, to be held at the business skyscraper of KONČAR – ELECTRICAL INDUSTRY Inc., Fallerovo šetalište 22, Zagreb, 4th Floor, Room 407-8, on the day of 15th January, 2019, beginning at 12:00 p.m. (further on referred to as: the Annual General Meeting) in such a way to supplement the published Agenda of the Annual General Meeting of the Company inserting another item to the Agenda, after the second item of the proposed Agenda of the Annual General Meeting titled as the “*Decision on an Amendment of the Statutes*” as the third item of the Agenda in such a way to reads as follows:

3. “Decision on granting authorisation to obtain own / treasury shares to the Managing Board of the Company”.

It is proposed to the Annual General Meeting to pass the decision expressed in item 3 of the Agenda titled “Decision on granting authorisation to obtain own / treasury shares to the Managing Board of the Company” in such a way that it is proposed to pass the following decision:

Ad.3.

Decision on granting authorisation to obtain own / treasury shares to the Managing Board of the Company

I

With this Decision the Annual General Meeting of the Company authorises the Managing Board of the Company to obtain the Company’s own / treasury shares within the time period of 5 (in words: five) years accounting from the date of passing of this Decision without any special consents of the Annual/Extraordinary General Meeting of the Company and under the following conditions:

- 1) The Company’s own / treasury shares obtained on the basis of this Decision, together with the Company’s own / treasury shares that are already in the possession of the Company, shall not exceed 10 % (in words: ten per cent) of the share capital of the Company;

- 2) The Managing Board of the Company can obtain the Company's own / treasury shares exclusively in the organised security market;
- 3) The Price per share at which the Company's own / treasury shares are being bought shall not exceed the final concluded price of the Company equity trading at the Zagreb Stock Exchange during the day preceding immediately the day of buying of the Company's own / treasury shares by 10 %;
- 4) The Managing Board of the Company shall inform the first following Annual / Extraordinary General Meeting of the Company on reasons and purpose of obtaining of shares, their number and share in the share capital as well as on the counter value given by the Company for those shares. The Managing Board of the Company shall have the same obligation towards the Supervisory Board of the Company, but the Managing Board shall have to report thereabout the Supervisory Board within the time period of one month form the date of expiry of each individual quarter.

II

The Managing Board of the Company can dispose of the Company's own / treasury shares already hold by the Company or obtained by the Company on the basis of the Decision of the Annual General Meeting on granting authorisation to the Managing Board of the Company to obtain own / treasury shares without any special consent of the Annual / Extraordinary General Meeting of the Company excluding the right to the first refusal hold by existing shareholders.

III

This Decision shall come into force on the date of its passing and it applies to the time period when authorisations granted by this Decisions are valid.

Explanation

Pursuant the Statutes of the Company, Art 23, the Company has the possibility to make reservations for its own / treasury shares. Since in certain cases the Managing Board of the Company needs an authorisation of the Annual / Extraordinary General Meeting of the Company, it is proposed that the Annual General Meeting passes such a decision to give a possibility to the Managing Board of the Company, within the frames of the legal, statutory and other prescribed limits and conditions, to dispose of the property of the Company in the manner to obtain the Company's own /treasury shares as well.

Martina Martek
Security Service Sector Director

Illegible signature

Attorney