

## 20<sup>th</sup> Annual General Meeting Report

Meeting was held on June 26<sup>th</sup> 2015, at the Company headquarters, Batajnicketi drum bb, Belgrade-Zemun, Serbia. The meeting was attended by shareholders or their proxies who in total represented 67,93% of the voting rights.

The following important decision were made:

1. Adopted: the Annual Report and the Annual Consolidated Report for 2014. Both of reports were published on Company's and Belgrade Stock Exchange's web site.
2. The Board of Directors Report for 2014 was adopted.
3. Profit from the current year and undistributed profit from previous years were distributed as following:
  - o For Dividends – RSD 200.640.000,00;
  - o For share capital increase – RSD 1.755.600.000,00
  - o Undistributed profit – RSD 582.177.317,88.

The dividend will be paid in cash, in gross amount RSD 152,00 per share. The date 26<sup>th</sup> June 2015 is determined as the dividend day.

The payment of dividends to the shareholders will take place on September from 7<sup>th</sup> to 11<sup>th</sup> 2015. Company will calculate and pay all necessary taxes for this payment.

On the basis of capital increase, 1,320,000 pieces of shares will be issued. The right to acquire shares is vested in shareholders of the Company in proportion to the number of shares they hold with status as of June 26, 2015. For every share they already hold, the shareholders will acquire, free of charge, one share from the new emission.

4. Decision on award to the members of the Board of Directors.
5. Decision on approval of the acquisition of own shares in the period before the adoption of the Annual Report for 2015.
6. The Company UHY REVIZIJA d.o.o. from Belgrade was selected for the Independent Auditor for 2015.
7. The Board of Directors' decision on founding a subsidiary in the Republic of Slovenia was verified.

Minutes of Annual General Meeting will be published on Company's web site [www.fitofarmacija.rs](http://www.fitofarmacija.rs).

### Attachments:

- Attach 1: The decision on adoption of the Annual Report for year 2014
- Attach 2: The decision on adoption of the Annual Consolidated Report for year 2014
- Attach 3: The decision on the profit distribution
- Attach 4: The decision on the payment of dividends for year 2014
- Attach 5: The decision on the increase of capital,
- Attach 6: The decision on issuance of shares without a public offer

## **DECISION**

The Company's Annual Report for 2014 IS ADOPTED. The Report includes:

1. The Annual Financial Report for 2014;
2. The Auditor's Report for 2014;
3. The Annual Report of the Company's Operations for 2014;
4. Statement of persons responsible for preparing the Annual Report;

Annual Report for 2014 is public document and can be found on Company's website and on Belgrade Stock Exchange's website.

## **DECISION**

The Company's Annual Consolidated Report for 2014 IS ADOPTED. The Report includes:

1. The Consolidated Financial Report for 2014;
2. The Auditor's Consolidated Report for 2014;
3. The Annual Consolidated Report of the Company's Operations for 2014;
4. Statement of persons responsible for preparing the Annual Consolidated Report;

Annual Consolidated Report for 2014 is public document and can be found on Company's web site and on Belgrade Stock Exchange's web site.

**DECISION**  
**on the distribution of profits for 2014**

The distribution of profits for 2014 is hereby adopted according to the following table:

|     |  | RSD                     |
|-----|--|-------------------------|
| I   | PROFITS FROM THE CURRENT YEAR                                  | 757.423.931,05          |
|     | <i>Distributed into mandatory reserves</i>                     | 0                       |
| II  | PROFITS FOR DISTRIBUTION                                       | 757.423.931,05          |
| III | PART FOR PAYMENT OF DIVIDEND (152 dinars gross per share)      | <b>200.640.000,00</b>   |
|     | <i>Undistributed profits from earlier years</i>                | 1.763.200.404,36        |
|     | <i>Converting statutory reserves into undistributed profit</i> | 17.792.982,47           |
|     | <i>Undistributed profits from the current years</i>            | 556.783.931,05          |
| IV  | TOTAL UNDISTRIBUTED PROFITS                                    | <b>2.337.777.317,88</b> |
| V   | INCREASING OF FIXED ASSETS                                     | <b>1.755.600.000,00</b> |
| VI  | UNDISTRIBUTED PROFITS  | <b>582.177.317,88</b>   |

According to the distribution of profits for 2014, the capital of the Company will look like in the table below:

|      |  | RSD                     |
|------|--|-------------------------|
|      | <i>Fixed assets on December 31<sup>st</sup> 2014</i> | 1.755.600.000,00        |
|      | <i>Increasing of fixed assets</i>                    | 1.755.600.000,00        |
| I    | FIXED ASSETS ON JANUARY 1 <sup>st</sup> 2015         | <b>3.511.200.000,00</b> |
| II   | MANDATORY RESERVES ON JANUARY 1 <sup>st</sup> 2015   | 175.560.000,00          |
| III  | STATUTORY RESERVES                                   | 0                       |
| IV   | STATUTORY RESERVES FOR DEVELOPMENTAL PURPOSES        | 500.000.000,00          |
| V    | SPECIAL RESERVES FOR BUY-OFF OF OWN SHARES           | 158.000.000,00          |
| VI   | REVALUATION RESERVES                                 | 27.397.600,00           |
| VII  | UNREALIZED LOSSES FOR SECURITIES                     | 3.029,39                |
| VIII | UNDISTRIBUTED PROFITS                                | 582.177.317,88          |
|      | <b>TOTAL CAPITAL</b>                                 | <b>4.954.331.888,49</b> |

## **DECISION**

### **on the payment of dividends for year 2014**

1. For dividend payments a portion of the undistributed profit for 2014 will be allocated, with total gross amount of RSD 200.640.000,00 or a gross dividend of RSD 152,00 per share for 2014.
2. The allocated amount will be paid to the shareholders confirmed as such on the dividend day (record date), in accordance with the shareholders list determined by the Central Securities Depository. In line with the Article 15 of the Company's Articles of Association, the dividend day is the date the General Meeting is held, being June 26<sup>th</sup> 2015.
3. The dividends will be paid in cash to all shareholders in proportion to their shareholding and nominal value of the shares.
4. The management will, within 15 days from the General Meeting date at latest, inform the shareholders on the dividend payment date through the Company's webpage. The deadline for dividends payment is date of September 30<sup>th</sup> 2015.
5. In case after the record date and before the payment of dividend, the shareholder transfers the shares on the basis of which he was entitled to dividend, he will keep the right to receive dividends payment.

**DECISION  
ON CAPITAL INCREASE  
BY CONVERTING THE RETAINED PROFIT INTO SHARE CAPITAL**

1. Before making this decision on capital increase, the following has been established:

Share capital of the Company amounts to: RSD 1,755,600,000.00 and, according to the data from the Central Registry, Depository and Clearing of Securities, it is divided into 1,320,000 ordinary shares, with individual nominal value of RSD 1,330.00.

In the Registry of Business Entities with the Business Registers Agency, the share capital of the Company is reconciled with the balance in the Central Registry and is registered as subscribed and paid in the amount of RSD 1,755,600,000.00.

On the basis of the adopted Financial Statements for 2014 and Decision on adoption of the Auditor's Report for 2014 with positive opinion, and in accordance with the Decision on distribution of profit, total retained profit as of December 31, 2014 amounts to RSD 2,337,777,317.88.

2. This is to increase the share capital of the Company from Company assets, by converting a part of the retained profit from previous years into share capital, as follows:

for the amount of RSD 1,755,600,000.00

3. After the increase of the share capital, total value of the share capital of the Company in the competent registries will amount to:

RSD 3,511,200,000.00.

4. On the basis of this decision, the Company will issue shares without public offer, by issuing shares of closed type without the obligation to publish prospectus.

5. On the basis of capital increase, 1,320,000 pieces of shares will be issued with nominal value of RSD 1,330.00 per share, and the total number of shares after the increase will amount to 2,640,000 pieces.

6. The right to acquire shares is vested in shareholders of the Company in proportion to the number of shares they hold, and who are registered as shareholders in the Uniform Registry of Shareholders of the Company in the Central Registry, Depository and Clearing of Securities, with status as of June 26, 2015. For every share they already hold, the shareholders will acquire, free of charge, one share from the new emission.

7. The shares are ordinary and registered shares and are considered paid. The shares bear marks (CFI code and ISIN number) which will be subsequently assigned by the Central Registry.

8. Every share of this emission gives the same right to the shareholders in accordance with the law, articles of association and Statute, and especially:

- the right to participate in the General Meeting and the right to vote,
- the right to share in the distribution of profit,
- the right to a part of the liquidation and bankruptcy estate,
- the preemptive right to purchase shares from new emission and
- the right to free disposal of shares.

- 9.** Registration and publishing of this decision shall be made in accordance with the legal regulations, and the shareholders will be notified individually in writing.
- 10.** On the basis of this decision, registry of the increase of share capital will be made with the Business Registers Agency, and registration of emission of shares and shareholders will be made in the Central Registry in accordance with the Rules of Business Operations of the Central Registry.
- 11.** Everything not regulated in this decision shall be subject to the applicable legal regulations in this area.
- 12.** This Decision shall come into force on the day when it was made, and will be published on the website of the Company, BRA and Belgrade Stock Exchange.

**DECISION  
ON ISSUING SHARES WITHOUT PUBLIC OFFER  
for the purpose of converting retained profit into share capital**

1. The Company will issue ordinary shares of the 6<sup>th</sup> emission, without public offer, for the purpose of capital increase from the Company assets, by converting the retained profit into share capital.
2. Emission of shares is of closed type, without the obligation to publish public prospectus and intended for the existing shareholders who will receive the shares free of charge.
3. The shares are issued, transferred and registered in dematerialized form in the form of electronic record in the information system of the Central Registry, Depository and Clearing of Securities.
4. The right to acquire shares is vested in shareholders of the Company who are registered as shareholders in the Uniform Registry of Shareholders of the Company in the Central Registry, Depository and Clearing of Securities, with status as of June 26, 2015, in proportion to the number of shares they hold, i.e. their pro rata share in the Company
5. According to the Financial Statements for 2014, which were confirmed by the auditor, the share capital amounts to RSD 1,755,600,000.00, and total retained profit with balance as of December 31, 2014 amounts to RSD 2,337,777,317.88. A part of the retained profit, in the amount of RSD 1,755,600,000.00, was allocated for capital increase pursuant to the Decision of the Shareholders' Assembly.
6. The Company will issue the 6<sup>th</sup> emission of shares for the purpose of capital increase in total value of RSD 1,755,600,000.00 and total number of shares 1,320,000 pieces of shares with nominal value of RSD 1,330.00 per share. The shares will bear marks (*CFI code*) and series mark (*ISIN number*) which will be assigned by the Central Registry, Depository and Clearing of Securities.
7. The number of shares is determined for every shareholder individually in the Tabular view in the appendix to this decision and constitutes an integral part thereof. Tabular view contains the number of shares and percentage share in the share capital before and after the issuing of shares of this emission.
8. The shares are considered fully paid **and** each share of this emission gives the right to one vote at the General Meeting in accordance with provisions of the Statute that regulate the right of the shareholders to participate in the work of the Assembly.
9. The shareholders from this Decision shall also have the following rights:
  - management right in proportion to the share in capital;
  - the right to share in the distribution of profit, in proportion to the share in capital;
  - the right to a part of the liquidation and/or bankruptcy estate of the Company, after payments to the creditors, in case of liquidation of the Company;
  - the right to equality with shareholders who hold shares of the same class;
  - the right to dispose of the shares without limitations;
  - the preemptive right to purchase shares from the subsequent emission;
  - other rights envisaged by the law, Statute and Articles of Association of the Company.



- 10.** The shareholders shall bear the risk of operations of the Company in proportion to their share in capital.
- 11.** The shareholders have the right to receive dividends, the distribution and amount of which shall be decided by the Shareholders' Assembly when adopting financial statements. Payment of dividends shall be made within deadlines defined in the Statute of the Company.
- 12.** The shareholders will be notified on the implemented procedure of issuing new shares within eight days from the day of registration of the new emission with the Central Registry.
- 13.** Registration of the emission with the Central Registry and notifying the Commission for Securities shall be performed by the corporate agent of the Company, and professional departments of the Company will also complete the necessary registration with the Business Registers Agency.
- 14.** Within three days from the day of receipt of notification from the Central Registry on completed registration of the emission, the Company will submit a request for inclusion of these shares in the organized market of the Belgrade Stock Exchange, where shares of this Company are already listed.
- 15.** This Decision shall come into force on the day when it was made. The Board of Directors is authorized to, for the purpose of enforcement of this Decision, perform technical amendments thereof.