

MINUTES FROM 25th ANNUAL GENERAL MEETING

25th Annual General Meeting was held on July 24th, 2020 at the Company's headquarters in Zemun, Batajnicki drum bb, beginning at 1 pm.

The meeting was convened by the decision of the Board of Directors dated June 24th, 2020. The invitation for the General Meeting was published on Company's web site, as well as on Belgrade Stock Exchange's website and Securities Commission website on June 24th, 2020.

Attendees:

- Shareholders and proxies: Agromarket d.o.o. (Dusan Mojsilovic, proxy) and Dragan Nenadovic;
- Members of the Board of Directors: Mirjana Bogicevic, Slavica Pekovic and Nikola Mojsilovic;
- Voting Committee: Bozana Crepulja Radivojevic and Bojana Mitic;
- Recording secretary: Bojana Mitic.

Chairman of the Board of Directors Mirjana Bogicevic proposed Dusan Mojsilovic for the Chairman of the General Meeting, which was approved by all attending shareholders and proxies.

Chairman of the General Meeting opened the Assembly and Bojana Mitic was appointed as the minute taker.

The Voting Committee was formed by the decision of the Board of Directors on invitation for the General Meeting as follows: Bozana Crepulja Radivojevic (President), Danka Kolarevic (Member) and Bojana Mitic (Member).

Bozana Crepulja Radivojevic submitted the Voting Committee report:

The General Meeting is attended by the shareholders, i.e. their proxies totally owning 2.363.882 shares, i.e. 89,54% of the total number. There are no votes in the absence.

The total number of votes comprising quorum amounts to 2.363.882 shares, i.e. 89,54% of the total number. The Voting Committee acknowledged that there is a quorum for holding the Assembly and informed all attendees that the session would be recorded for the more credible preparation of the minutes.

Chairman of the General Meeting opened the meeting and acknowledged the following:

AGENDA

1. Adoption of the minutes from the previous Annual General Meeting held on June 24th 2019
2. Adoption of the Annual Report for 2019
3. Adoption of the Board of Directors Report for 2019
4. Making a decision on profit distribution for 2019
5. Making a decision on amendments and modifications of the Company's Articles of Association
6. Making a decision on appointment of members of the Board of Directors of the Company
7. Making a decision on Changes to the Dividend Policy
8. Selection of an independent auditor for 2020

1st ITEM

Considering the Minutes from 24th General Meeting of „GALENIKA-FITOFARMACIJA“ a.d. held on June 24th, 2019, General Manager of the Company Dragan Nenadoic noted that the minutes in a credible, accurate and precise way records the events from the General Meeting in question and proposed to the participants to adopt it.

With 2.363.882 votes „FOR“ (100% of the total number of votes), 0 votes „AGAINST“, 0 votes „ABSTAINED“, the Assembly reached a unanimous decision, as follows:

CONCLUSION

The Minutes from 24th Annual General Meeting of „GALENIKA-FITOFAMACIJA“ a.d. held on June 24th, 2019 is adopted.

Note: The minutes is a public document and can be found on the Company's website since June 27th, 2019 and do not form an integral part of this minutes.

2nd ITEM

General Manager of the Company, Dragan Nenadovic expressed satisfaction to be able to propose the decision on the adoption of the Annual Report of the Company for 2019 in terms of business, emphasizing that it was not as successful as we were used to, but in every respect appropriate to the circumstances we had in 2019.

The year was marked by several significant events. At the end of 2019, the consolidation of ownership was accomplished through the purchase of shares by "Agromarket" and among other things, one of the activities that were carried out after that is that adequate consents of the Commission for Protection of Competition were provided.

Adoption of the Company's Annual Report is a legally prescribed category. Financial Report includes: the Annual Financial Report for 2019, the Auditor's Report for 2019, the Annual Report of the Company's Operations for 2019, statement of persons responsible for preparing the Annual Report, decision of supervisors on the adoption of the Annual Report, Decision on profit distribution or loss covering.

All formal conditions for the adoption of this Annual Report have been fulfilled. The annual report is in all respects compiled in accordance with the relevant legislation, it has been considered and approved by the Board of Directors, published on the Company's website within the legal deadline, as well as on the Belgrade Stock Exchange's website and Securities Commission website.

The material was available on the Company's website to all interested shareholders, and since it was the subject of consideration and approval by the Board of Directors, who are also present at the Assembly, it is not necessary to deal with details and emphasize certain things that might be interesting.

General Manager proposed to the Assembly to make a decision on the adoption of the Annual Report for 2019.

With 2.363.882 votes „FOR“ (100% of the total number of votes), 0 votes „AGAINST“, 0 votes „ABSTAINED“, the Assembly reached a unanimous decision, as follows:

DECISION

The Company's Annual Report for 2019 IS ADOPTED. The Report includes:

1. The Annual Financial Report for 2019
2. The Auditor's Report for 2019
3. The Annual Report of the Company's Operations for 2019
4. Statement of persons responsible for preparing the Annual Report
5. Decision of supervisors on the adoption of the Annual Report (note)
6. Decision on profit distribution or loss covering (note)

Annual Report for 2019 is public document and can be found on Company's website, Belgrade Stock Exchange's website and Securities Commission website.

Note: For practical reasons, the Annual Report is not included as an integral part of these minutes. It is published on websites: of the Company, Belgrade Stock Exchange and Securities Commission on April 29th, 2020.

3th ITEM

The Executive Director of the Company, Slavica Pekovic stated that the report of the Board of Directors is compiled in the standard form in accordance with Article 399 of the Law on Business Companies, where it is prescribed that the Board of Directors specifically declare on the points that are highlighted in the report. The essence is that the Board of Directors has three levels of information that it obtains in its work. The basic ones are those received from the Executive Directors, then the next level is the Audit Committee which also gives its report and, of course, the highest level is the external auditor.

Regarding the first point Risk Management and Functioning of the Internal Control System, the Board of Directors had the opportunity during the year to deal with numerous reports on internal audits and risk management, and these reports were not only considered by the Audit Committee but also by the external auditor who has thoroughly reviewed all these reports. The Board of Directors can say with absolute certainty that it evaluates that the Company adequately managed the risks during the reporting period, that it is kept at an acceptable level and that it had a proactive attitude towards changes in the business environment.

Regarding accounting practices, we did not have any changes last year, and these are all the same practices described in the Notes to the Financial Statements and they are subject of consideration by the external auditor again, so that the Board of Directors can assess with certainty that these practices are in accordance with legal regulations.

The Board of Directors estimates that we are fully compliant with the law and other regulations.

It should also be noted that during 2019, we had two improvements related to internal acts. One is Corporate Governance Code, and the other is the adoption of the Ethical codes. Both documents were revised in accordance with the recommendations we received from IFC (International Finance Corporation), which had an engagement in our Company at the end of 2017, when they evaluated the level of corporate governance and suggested certain changes, which we have gradually adopted.

"UHY REVIZIJA " is engaged to audit the Financial Report for 2019. This year they are not present at the General Meeting, for known reasons. We tried to have as few persons as possible at this session, so this is the first year since we have the General Meeting that we do not have an auditor at the General Meeting. We think that, since they had a positive opinion, it was not necessary for them to come. UHY did not provide any services to the Company other than audit services and

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they submitted their statement and submitted it to the Audit Committee together with the Annual Report.

The last point on which the Board of Directors must declare is whether there are agreements between the directors and persons associated with them. All these years so far, we have not had special agreements in which there was a personal interest with either the directors or the legal entities related to them.

Slavica Pekovic proposed to the Assembly to adopt this report.

With 2.363.882 votes „FOR“ (100% of the total number of votes), 0 votes „AGAINST“, 0 votes „ABSTAINED“, the Assembly reached a unanimous decision, as follows:

DECISION

TO ACCEPT the Board of Director's Report for 2019, in accordance with the Appendix which is an integral part of this decision.

Note: The Board of Director's Report is presented in Annex 1 of this Minutes.

4th ITEM

General Manager, Dragan Nenadovic pointed out that it has never been easier to talk about profit distribution.

The gross profit for the current year amounted to 687.796.246, 24 RSD. In accordance with Article 13 of the Articles of Association, into mandatory reserves is distributed 12.241.110, 00 RSD.

Pursuant to Article 13 of the Articles of Association, mandatory reserves make 5% of net profit from the current year. The amount allocated in this particular case is smaller, because with this amount we reached 10% of the value of fixed capital, which means that the remaining amount of profit amounts to 675.555.136, 24 RSD and this remains unallocated. So, after appropriate accounting the entire undistributed profit will amount to 3.504.775.221, 70 RSD.

Dragan Nenadović proposed to the Assembly to adopt a decision on the distribution of profits for 2019.

With 2.363.882 votes „FOR“ (100% of the total number of votes), 0 votes „AGAINST“, 0 votes „ABSTAINED“, the Assembly reached a unanimous decision, as follows:

DECISION on the distribution of profits for 2019

The distribution of profits for 2019 is hereby adopted as follows:

1. The gross profit for the current year amounted to 687.796.246,24 RSD.
2. Into mandatory reserves is distributed 12.241.110,00 RSD (in accordance with Article 13 of the Articles of Association).
3. The remaining amount of profit amounts to 675.555.136,24 RSD and this amount remains unallocated.

5th ITEM

General Manager of the Company, Dragan Nenadovic pointed out that these amendments to the Articles of Association which are given in proposed decision are in order to organize operating business more efficiently. These amendments include: reducing the number of members of the Board of Directors from seven to five, the institution of Deputy Chairman of the Board and increasing the maximum amount of investment for which the General Manager can make a decision independently. Until now, it was 10% of the value of capital, and now that limit has been increased to 20% of the value of the total capital, so it is proposed to the Assembly to adopt these changes.

By a qualified majority voting the Assembly adopted the following:

DECISION ON AMENDMENTS AND MODIFICATIONS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

I The Article of Association of "GALENKA- FITOFARMACIJA " a.d. Belgrade, dated June 24th, 2016, is amended in Articles 35, 36, 48 and 55, now reads as follows:

Article 35

The director can be any business capable person with relevant professional experience.

The director cannot be a person:

- 1) who is a director or a member of the supervisory board in more than five companies;
- 2) who has been convicted of a criminal act against the economy, over a period of five years, counting from the day of final judgement, but during that period does not count the time spent serving the prison sentence;
- 3) who has been issued a security measure, prohibiting the performing of an activity that represents the predominant activity of the company for the duration of that prohibition.

Article 36

The Company has five directors, who constitute the Board of Directors of the Company.

Three members of the Board of Directors are non-executive, one of which is independent of the Company (independent director).

Two members of the Board of Directors are executive directors, one of which is the General Director of the Company.

Article 48

The Directors elect one of the non-executive directors for the Chairman of the Board and one for the Deputy Chairman of the Board.

The Chairman of the Board of Directors convenes and chairs the meetings of the Board, proposes the agenda and has the responsibility to keep minutes of the meetings of the Board.

The Board of Directors may dismiss and elect a new Chairman of the Board at any time without giving any reason.

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In the case of the absence of the Chairman of the Board, each of the directors may convene the meeting, and by a majority of votes of the directors present, one of the directors, who must be a non-executive director, is elected as chairman at the beginning of the meeting.

The Chairman of the Board of Directors represents the Company in relation to the executive directors in the manner determined by the decision of the General Meeting or by unanimous decision of the non-executive directors.

The Chairman of the Board of Directors shall be registered in accordance with the Registration Law.

In the event that the Chairman of the Board of Directors is prevented, the Deputy Chairman of the Board of Directors is authorized to assume the rights, obligations and responsibilities of the Chairman of the Board of Directors.

Article 55

I Authorization and jurisdiction of the General Manager of the Company:

- 1) Representing the Company, without restriction;
- 2) Organizing the business operations of the Company, coordinating the work of the executive directors and other members of management;
- 3) Leading the preparation of financial and operating reports established by the Board of Directors;
- 4) Concluding the Collective Agreement and passing general acts of the Company which are of the labor legal nature;
- 5) Deciding on individual rights and obligations of employees of the Company;
- 6) Proposing general and individual acts from the jurisdiction of the Board of Directors;
- 7) Deciding on material expenses within the adopted annual financial plan and investment plan;
- 8) Deciding on investments whose value does not exceed 20% of the value of total capital;
- 9) Deciding on the extent of the Company's indebtedness and taking short-term loans if the extend of the Company's debt does not exceed 20% of the value of the total capital of the Company;
- 10) Implementing decisions of the Board of Directors and the General Meeting of Shareholders;
- 11) Conducting other activities in accordance with the special laws and Company's Regulations.

II The remain part of The Article of Association of "GALENIKA-FITOFARMACIJA" a.d. stays unchanged.

III The General Manager of the Company is authorized to draft the revised text of the Company's Articles of Association and to carry out the registration procedure with the Business Registers Agency.

6th ITEM

General Manager of the Company, Dragan Nenadovic noted that the four-year term of the previous Board of Directors had expired. According to the decision on amendments to the Articles of Association and a different concept of the number of members of the Board of Directors, five members of the Board of Directors have been proposed. Its structure is clearly defined. Most of them must be non-executive directors, provided that we have an independent director. With this proposal, as non-executive directors Dusan Mojsilovic, Nikola Mojsilovic and Mirjana Bogicevic who is at the same time an independent director, and as executive directors Dragan Nendovic and Slavica Pekovic, we would reach an adequate structure and numerical status of the Board of Directors.

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It was proposed to the Assembly to appoint new members, for the same term.

With 2.363.882 votes „FOR“ (100% of the total number of votes), 0 votes „AGAINST“, 0 votes „ABSTAINED“, the Assembly reached a unanimous decision, as follows:

DECISION ON THE APPOINTMENT OF DIRECTORS

I Appointed directors of "GALENKA- FITOFARMACIJA " a.d. Belgrade, for a period of four years, starting on July 24th,2020 are:

1. Dusan Mojsilovic, Kragujevac, (Personal No 0207960720036);
2. Nikola Mojsilovic, Kragujevac, (Personal No 0812992720020);
3. Mirjana Bogicevic, Belgrade, (Personal No 2704956719016);
4. Dragan Nenadovic, Belgrade, (Personal No 0901964710055),
5. Slavica Pekovic, Belgrade, (Personal No 2112969715163);

II The Directors constitute the Board of Directors

III Non-executive directors of the directors mentioned above are:

1. Dusan Mojsilovic;
2. Nikola Mojsilovic;
3. Mirjana Bogičević, a director and an independent director;

IV Executive directors of the directors mentioned above are:

1. Dragan Nenadovic;
2. Slavica Pekovic;

V At the constitutive meeting of the Board of Directors, the Directors shall appoint one of the non-executive directors as Chairman of the Board and one as Deputy Chairman of the Board of Directors of the Company.

VI Directors shall appoint one of the Executive Directors as the General Director of the Company at the constitutive meeting of the Board of Directors.

VII Executive Directors are legal representatives of the Company with the authority to represent the Company without restriction.

VIII The decision on the appointment of the Board of Directors and Executive Directors as legal representatives of the Company shall be entered in the Business Registers Agency for Business Registers in accordance with the Law.

IX The Constitutive meeting of the Board of Directors is convened and chaired by the oldest appointed director.

X The rights, obligations and responsibilities of each of the directors will be regulated in accordance with the adopted model of a special contract, in accordance with the Articles of Association of the Company and the Company's Compensation and Reward Policy.

XI General Manager of the Company is authorized to sign special contracts with the members of the Board of Directors on behalf of the Company.

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The Chairman of the Board of Directors of the Company is hereby authorized to sign the contract with the General Manager of the Company on behalf of the Company.

XII This Decision shall come into effect on the day of its adoption.

7th ITEM

General Manager of the Company, Dragan Nenadovic said that we had been guided by the projection of intensive challenges and limitations that we would have in the future period of “GALENKA-FITOFARMACIJA” business development.

He pointed out that we were approaching the preservation of liquid assets more carefully, i.e. raising the level of investment needs so the Company could respond to all challenges in the business projections for the upcoming period.

This practically means that within the amendments to the Dividend Policy there will be no longer limit of 30% of profit for distribution but 20%, and that it will be a matter of assessment related to specific conditions and plans that the Company will have in the future. It is proposed to the Assembly to adopt a decision on amendments to the Dividend Policy.

By a qualified majority voting the Assembly adopted the following:

DECISION ON CHANGES TO THE DIVIDEND POLICY

I Dividend policy of "GALENKA-FITOFARMACIJA" a.d. Belgrade, as of January 19, 2012, is amended in the section " Proposal of Resolution on Disbursement of Dividends" now reads as follows:

„The Board of Directors proposes the manner of distribution of the profit realized in the previous year in accordance with the provisions of the Article of Association of the Company and the Law, at its session dedicated to consideration and approval of the Business Report for the preceding year.

The proposal of the resolution on disbursement of dividends may also make an integral part of the proposal from the previous paragraph.

When deciding whether to propose a dividend payment and in what amount, the Board of Directors considers the results of the ongoing operations of the Company, its liquidity, business plans and planned investment activities, as well as general economic circumstances.

The amount proposed by the Board of Directors for disbursement of dividends cannot exceed 20% of the realized net profit in the previous year, which remained for distribution after mandatory earmarking in accordance with the Law and the Article of Association”.

II The remain part of the provisions of the Dividend Policy stays unchanged.

III The General Manager of the Company is authorized to draft the revised text of the Company's Dividend Policy.

8th ITEM

The Non-executive Director of the Company, Mirjana Bogicevic stated that we opted for the UHY audit again. Considering that all legal requirements have been fulfilled and that, as in the previous period, this auditing company did not perform and provide any other services to the Company, nor it is particularly dependent on the Company by any contract, it was concluded that it is best to choose this auditor.

It was also shown that this was the best offer and that the UHY audit was also selected to perform audit work in the financial report for 2020. The General Manager will conclude the contract with the selected auditor.

Chairman of the General Meeting, Dusan Mojsilovic asked for the price of their services.

The Executive Director of the Company, Slavica Pekovic replied that the price of the services was 6,000 EUR and that this was the standard price for many years, with the explanation that, since we became a subsidiary of "Agromarket" in November, we did not have the obligation to prepare a consolidated financial report this year, so we paid 4,500 EUR because the subject of the audit was only an individual financial report.

With 2.363.882 votes „FOR“ (100% of the total number of votes), 0 votes „AGAINST“, 0 votes „ABSTAINED“, the Assembly reached a unanimous decision, as follows:

DECISION on the selection of an independent auditor for the business year 2020

1. UHY REVIZIJA d.o.o. Belgrade, ID No.: 17082175, is selected for an independent auditor to perform audit work in the business year 2020.
2. The General Manager of the Company is authorized to conclude the Contract on the performance of an audit work, which will specify the mutual rights and obligations of the contractor with the selected auditor from this Decision.

The General Meeting ended at 1:22 pm.

CHAIRMAN OF THE GENERAL MEETING: Dusan Mojsilovic
Minute taker: Bojana Mitic

Pursuant to Article 399 of the Law on Business Companies, and for the purpose of reporting to the shareholders at the regular Annual General Meeting, the Board of Directors of „GALENIKA - FITOFARMACIJA“ a.d. (hereinafter referred to as: The Company) submits the

BOARD OF DIRECTORS REPORT FOR 2019

This report has been prepared on the basis of direct and indirect insights and analysis of all major aspects of the Company's business, which were performed by the Board of Directors during the reporting period. During the reporting year, the Board of Directors of the Company held four regular meetings and nine meetings in writing.

In accordance with the established practice, at each of the regular meetings of the Board of Directors, an obligatory item on the agenda was the Executive Directors' Report on current operations with interim financial statements for the previous period. Based on these statements, Board members had a continuous and detailed insight in the current operations of the Company.

The Board of Directors has also reviewed the regular Reports constituted and submitted for approval by the Audit Committee of the Company in accordance with its responsibilities: the implementation of accounting policies and risk management policies; application of accounting standards; evaluation of the content of financial statements of the Company; supervision over the work of the Internal Audit of the Company; implementation of the procedure of election of the independent auditor of the Company and evaluation of the audit procedure. Based on these reports, members of the Board of Directors had a continuous and detailed insight into the said aspects of Company operations.

The findings in this report have been finally formed also on the basis of the Company independent Auditor's report, PKF d.o.o., in which it is assessed that the individual and consolidated financial statements have been prepared in accordance with the accounting regulations of the Republic of Serbia and that they objectively present the state of assets and liabilities as of December 31st 2019.

1. Risk management and functioning of the system of internal controls

During the reporting period, the Internal Audit of the Company performed their duties in accordance with the adopted Work plan for 2019 and the general acts that regulate the domain of internal audit. The Audit Committee has reviewed, approved and submitted to the Board of Directors for adoption the reports on the engagement of internal audit, as well as reports on implementation of previously recommended measures of the internal audit. The Board of Directors has reviewed and approved the following:

- Annual internal audit report for 2018 at the meeting held on January 31st 2019;
- Internal audit report for the first quarter of 2019, at the meeting held on April 9th 2019;
- Internal audit report for second quarter of 2019, at the meeting held on July 10th 2019;
- Internal audit report for third quarter of 2019, at the meeting held on October 10th 2019;
- Internal audit report for fourth quarter of 2019, at the meeting held on January 27th 2020;
- Annual internal audit plan for 2020, at the meeting held on January 31st 2020.

During the reporting period, the Executive management prepared and submitted to the Audit Committee interim reports on risk management and functioning of the system of internal controls. These reports were approved by the Audit Committee and submitted to the Board of Directors for review and adoption. The Board of Directors has reviewed and approved the following:

- Annual Report on risk management and system of internal controls in 2018, at the meeting held on, January 31st 2019;
- Report on risk management and system of internal controls for the period January - June 2019, at the meeting held on July 10th 2019;

- Report on risk management and system of internal controls for the period July - December 2019, at the meeting held on January 27th 2020.

The Board of Directors finds that the Company adequately managed risks of its operations in the reporting period, keeping them at an acceptable level, and that it had a proactive attitude towards the upcoming events and changes in the business environment.

2. Accounting and financial reporting practice

Accounting policies which are being applied by the Company are described and disclosed in the notes, together with the financial statements.

The Board of Directors estimates that the Company's accounting policies have been established in accordance with the legislation of the Republic of Serbia, and that the Company's Annual and Six-month Reports are prepared and disclosed in accordance with legislation and internal Company's rules.

The Board of Directors has reviewed and approved:

- Company's individual and consolidated six-month financial statements for 2019, on a session held on August 14th 2019
- Company's Annual financial statement for 2019, on a session held on April 29th 2020.

The Company's independent auditor, UHY d.o.o., Belgrade, has expressed its unreserved opinion in his report on Company's annual financial statement for 2019 (April 22nd 2020).

3. Company's compliance with Laws and other regulations

The Board of Directors estimates that the Company's business is in compliance with Laws and other regulations and that the established internal control mechanisms are efficient and effective.

During 2019, the Corporate Governance Code was improved by adding provisions related to social issues and environmental protection, as well as by revising the existing provisions related to corporate governance. Also, during 2019, the Company's Code of Ethics was adopted and published on the Company's internal portal, which is made based on many years of business practice and ethical values that the Company nurtures.

As the Company's activity is of high risk, the Company pays special attention to safety at work, health and environmental protection.

During 2019, the Board of Directors did not identify any cases of Company's non-compliance with the laws and other regulations.

4. Qualification and independence of the Company's auditor with respect to the Company

By the decision of the Annual General Meeting from June 24th 2019, the Company has contracted UHY d.o.o. from Belgrade, to audit its financial statements for the year of 2019.

UHY d.o.o. (originally EKI Revizija d.o.o) was founded in 2000 by the Institute of Economic Sciences in Belgrade. In 2012, it became a member of UHY Internacional, a global network of independent accounting and consulting firms, providing audit, accounting, and tax and business consulting services.

UHY d.o.o. is an independent legal entity with respect to the Company. During 2019, UHY d.o.o. did not provide other services to the Company.

5. Contracts concluded between the Company and the directors, as well as related parties

In 2019, the Company did not conclude transactions of personal interest with the directors and related parties.