

Pursuant to the Articles 22 and 23 of the Article of Association „GALENKA – FITOFARMACIJA“ a.d. (hereinafter referred to as: The Company), Articles 5 and 7 of the Rules of Procedure of the General Meeting, Article 372 para. 1 of the Company Law (Official Gazette of the Republic of Serbia, No. 36/2011, 99/2011, 83/2014, 5/2015, 44/2018 and 95/2018) and at the request of the shareholder AGROMARKET DOO from Kragujevac, The Board of Directors, at its meeting held on December 30th 2019, made the following

DECISION

1. The Extraordinary, 25th General Meeting of the Company is hereby **CONVENED**, to be held on January 24th, 2020 in the Company's headquarters in Zemun, Batajnički drum bb, starting at 1 pm.

2. The Board of Directors has established the following

DRAFT AGENDA

of the Extraordinary General Meeting

1. Adoption of the minutes from the previous General Meeting held on June 24th, 2019
2. Making a decision on amendments and modifications to the Articles of Association of the Company
3. Making a decision on dismissal of members of the Board of Directors of the Company
4. Making a decision on the appointment of members of the Board of Directors of the Company
5. Making a decision on Changes to the Dividend Policy.

3. The shareholders or proxies of shareholders who own at least 2,640 shares on the shareholders' day have the right to personal participation in the work of The General Meeting.

4. An integral part of this decision is the Invitation to shareholders to the General Meeting, which will be published on the Company's website (www.fitofarmacija.rs), as well as on the websites of the Belgrade Stock Exchange, Serbian Business Registers Agency, Central Securities and the Securities Commission.

5. A three-member voting committee is appointed, comprising of:

1. Bozana Crepulja Radivojevic, president
2. Danka Kolarevic, member
3. Bojana Mitic, member

The rights and obligations of the Commission are regulated in detail in the Rules of Procedure of the General Meeting

6. The Chief Corporate Affairs Officer is tasked with organizing and conducting the convening of the General Meeting.

Note: The minutes from the previous General Meeting, held on June 24th 2019, was published on June 27th 2019 on the Company's website (www.fitofarmacija.rs) in the section: For Investors / Corporate Governance / Shareholders meeting

Pursuant to the Article 247 and Article 329 of the Company Law (Official Gazette of the Republic of Serbia, No. 36/2011, 99/2011, 83/2014, 5/2015, 44/2018 and 95/2018) and Article 20 of the Article of Association „GALENKA – FITOFARMACIJA “ a.d. (hereinafter referred to as: The Company), The General meeting of shareholders of the Company, at its extraordinary meeting held on January 24th 2020, made 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 President of the Board and one for the Deputy President of the Board.

The President 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 President of the Board at any time without giving any reason.

In the case of the absence of the President 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 President 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 President of the Board of Directors shall be registered in accordance with the Registration Law.

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

Article 55

Authorization and jurisdiction of the General Director 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 Director 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.

Explanation

Shareholder AGROMARKET DOO Kragujevac, proposed to the General Meeting of the Company to rationalize its business by reducing the total number of directors that constitute the Board of Directors and thus make the operational management of the Company more efficient.

The proposal of the shareholder was assessed by the General Meeting of the Company as justified and expedient and made the decision as in the text of the decision.

Pursuant to the Article 329 para. 1 and Article 395 of the Company Law (Official Gazette of the Republic of Serbia, No. 36/2011, 99/2011, 83/2014, 5/2015, 44/2018 and 95/2018) and Article 20 para.1 of the Article of Association „GALENKA – FITOFARMACIJA “ a.d. (hereinafter referred to as: The Company), The General meeting of shareholders of the Company, at its extraordinary meeting held on January 24th 2020, made the following

DECISION

ON DISMISSAL OF MEMBRES OF THE BOARD OF DIRECTORS OF THE COMPANY

I The following persons shall be dismissed of duties as non-executive members of the Board of Directors of "GALENKA- FITOFARMACIJA " a.d. Belgrade:

1. Nedeljko Puhar, Belgrade (Personal No 0502943710347), President of the Board of Directors ,
2. Zivorad Vojinovic, Belgrade (Personal No 2102954772068),
3. Mirjana Bogicevic, Belgrade (Personal No 2704956719016) independant director,
4. Branislav Medakovic, Belgrade (Personal No 2808959710036),
5. Dusan Mojsilovic, Kragujevac (Personal No 0207960720036).

II The following persons shall be dismissed of duties as executive members of the Board of Directors and legal representatives of "GALENKA-FITOFARMACIJA" a.d. Belgrade:

1. Dragan Nenadovic, Belgrade (Personal No 0901964710055), General director,
2. Slavica Pekovic, Belgrade (Personal No 2112969715163) Executive director.

III The decision to dismiss members 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.

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

Explanation

Shareholder AGROMARKET DOOKragujevac, proposed to the General Meeting of the Company to reduce the total number of directors that constitute the Board of Directors and to improve the operational management of the Company.

The proposal of the shareholder was assessed by the General Meeting as justified and expedient.

In order to obtain the conditions to form the Board of Directors in the new structure and in term of office for the period of 4 years, it is necessary to discharge the present members of the Board of Directors of their duties, so the General Meeting of the Company passed the decision as in the text of the decision.

Pursuant to the Article 329 para. 1 and Article 384 para 1 of the Company Law (Official Gazette of the Republic of Serbia, No. 36/2011, 99/2011, 83/2014, 5/2015, 44/2018 and 95/2018), Article 20 para. 1 and Article 37 para 1 of the Article of Association „GALENKA – FITOFARMACIJA“ a.d. (hereinafter referred to as: The Company), The General meeting of shareholders of the Company, at its extraordinary meeting held on January 24th 2020, made the following

DECISION

ON THE APPOINTMENT OF DIRECTORS

I Appointed directors of "GALENKA- FITOFARMACIJA " a.d. Belgrade, for a period of four years, starting on January 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 President of the Board and one as Deputy President 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 Director of the Company is authorized to sign special contracts with the members of the Board of Directors on behalf of the Company.

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

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

Explanation

Shareholder AGROMARKET DOO, Kragujevac proposed to the General Meeting of the Company to reduce the total number of directors that constitute the Board of Directors and improve the operational management of the Company, which the General Meeting has accepted and made decisions on amending the Articles of Association of the Company and dismissing former members of the Board of Directors.

The General Meeting of Shareholders of the Company also considered the proposal of the shareholder of AGROMARKET DOO, Kragujevac for the appointment of the Directors of the Company in the next term of office and concluded that four of the proposed five candidates were members of the previous Board of Directors who successfully managed the Company's business during the previous two terms of office, that all proposed candidates meet the legal and statutory qualifications for appointment to the position of director, and that the proposed candidate Mirjana Bogicevic meets the special qualifications for appointment to the position of independent director of the Company.

The proposal of the shareholder was assessed by the General Meeting of the Company as justified and expedient and made the decision as in the text of decision.

SHORT BIOGRAPHIES OF THE CANDIDATES FOR MEMBERS OF THE BOARD OF DIRECTORS

NON-EXECUTIVE DIRECTORS:

Dusan Mojsilovic (1960), B. Sc. in Agricultural Engineering, with vast experience in regional agricultural business. Owner of "Agromarket" d.o.o, Kragujevac. Member of the Company's Board of Directors since 2000.

Nikola Mojsilovic (1992), a senior year student in the Agribusiness department of Van Hall Lareinstein University, Wageningen, Nederland. Coordinator of Agricultural Property at "Agromarket" d.o.o, Kragujevac and Director of COPA, Cooperative of Pannonian Apples Ltd., Dobanovci, Serbia.

INDEPENDENT DIRECTOR:

Mirjana Bogicevic (1956), B. A. in Economics, authorized accountant and certified internal auditor. Executive director of „Sava neživotno osiguranje“ a.d.o. Belgrade. President of the Serbian Association of Internal Auditors. Member of the Company's Board of Directors since 2012.

EXECUTIVE DIRECTORS:

- **Dragan Nenadovic** (1964), B. A. in Economics. General Director of the Company since 2000. President of the Board of the Association for Chemical, Rubber and Non-Metal Industry of the Serbian Chamber of Commerce (SCC), President of the Group of Domestic Manufacturers of Plant Protection Products in SCC, member of the Serbian Association of Corporate Directors. Owner of 6.58% of the Company shares.
- **Slavica Pekovic** (1969), B. Sc. in Electrical Engineering and M. A. in Management. Employed with the Company since 2002. Executive director of the Company since 2012.

Pursuant to the Article 329 of the Company Law (Official Gazette of the Republic of Serbia, No. 36/2011, 99/2011, 83/2014, 5/2015, 44/2018 and 95/2018) and Article 20 of the Article of Association „GALENKA – FITOFARMACIJA“ a.d. (hereinafter referred to as: The Company), The General meeting of shareholders of the Company, at its extraordinary meeting held on January 24th 2020, made 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 Director of the Company is authorized to draft the revised text of the Company's Dividend Policy.

Explanation

The shareholder AGROMARKET DOO, Kragujevac, proposed to the General Meeting of the Company that the Company's Dividend Policy be amended as set out in the text of the decision.

The proposal is justified by the fact that the Company is facing a period of intensive investments and reduced profitability, and that it is unrealistic to expect the dividend to be paid regularly, totaling up to 30% of the realized net profit in the previous year. For this reason, it is proposed to reduce the maximum amount of dividend to 20% of the net profit realized in the previous year.

Also, as the Dividend Policy so far implied that the dividend was paid on a regular basis, and only in exceptional cases the Board of Directors may propose that the dividend not be paid, the proposal is to adjust the Policy as set out in the text of the decision.

The General Meeting of the Company assessed the proposal as justified and expedient, and made the decision as set out in the text of the decision.