

Rules on the form and contents of the proxy statement



In the event there may be discrepancies which arise between the Serbian and English versions of the document, the Serbian version is the legally binding document.

Pursuant to Article 220, paragraph 1, item 1, and in reference to Article 75, paragraph 3 of the Law on the Market of Securities and Other Financial Instruments ("RS Official Gazette", No 47/2006), the Securities Commission hereby issues the following

Article 1

These Rules shall specify the form and contents of the proxy statement and manner of its submission to shareholders with voting rights.

Article 2

The proxy statement shall be a written document inviting shareholders having voting rights in the assembly of the shareholding company to grant proxy to the specific person, proposed in such statement, for purposes of representation at the regular or extraordinary assembly session of such company.

The shareholder company shall be obliged to prepare the proxy statement form and to submit it, along with the written invitation to the assembly session, to all shareholders with voting rights, pursuant to these Rules.

An integral part of the proxy statement shall be the proxy form, which will be submitted to shareholders together with the proxy statement.

The proxy statement shall be submitted or its submission shall be organized by the chairman of the board of directors, board of directors or other person authorized to convene the assembly session.

Article 3

The request for approval of proxy statement shall be submitted to the Securities Commission (hereinafter: the Commission) by a shareholder company, and/or the person authorized to convene the assembly of a shareholder company, 20 days prior to sending written invitation for calling the assembly of the shareholder company and proxy statement to shareholders.

The written invitation to the assembly session shall be sent to each shareholder with the voting right within the deadlines and in the manner prescribed by the law governing business companies.

The request for approval of the proxy statement shall contain the following:

- 1) Business name and headquarters of a shareholder company;
- 2) The date of holding the shareholder assembly;
- 3) List of documentation to be submitted together with the request;
- 4) Personal name, address and telephone number of the person in charge of the contact with the Securities Commission regarding such request;
- 5) Date of submitting the request and signature of a person submitting the request and/or authorized person.

Together with the request from paragraph 3 of this Article, the following shall be submitted:

- 1) Proxy statement;
- 2) Proxy form;
- 3) The copy of the resolution on the entry of the shareholder company into the Register of Business Entities of Serbian Business Registers Agency to which the proxy statement pertains;
- 4) The copy of an ID card, and/or the copy of the resolution on entering persons nominated for proxies into the Register of Business Entities of the Business Registers Agency;
- 5) Written consent of the person nominated for proxy;
- 6) Decision on convening the Assembly;
- 7) Evidence attesting to payment of fee to the Commission;
- 8) Other necessary documentation proving the accuracy of data from the proxy statement.

The proxy statement shall be submitted on the proxy statement form (Attachment 1) which is an integral part of these Rules.

The proxy shall be submitted on the proxy statement form (Attachment 2) which is an integral part of these Rules.

Article 4

The proxy statement form shall be prepared in Serbian and printed on one of the standard formats, on A4 page format.

The proxy statement shall be verified and signed by the person authorized for representing the applicant, and/or the person authorized for convening assembly of the shareholders company.

Data contained in the proxy statement and proxy shall be stated in the order stipulated by these Rules.

Article 5

The proxy statement must contain the data enabling the shareholders to decide whether they will grant the proxy, data on the person they shall grant proxy to, the degree of authorization granted to such person and other relevant data pertaining to the shareholders' right to vote in the shareholders assembly.

The proxy statement shall not provide data that may create an erroneous impression in shareholders with regard to their right to vote in the shareholders assembly, to be acquainted with the proposed decisions the assembly needs to adopt, to grant proxy, to appoint the proxy of their own choice, or any other data jeopardizing the exercising of shareholders' voting rights.

Article 6

Persons proposed for shareholders' proxies in the proxy statement may be employed at the shareholder company, as well as other legal entities and physical persons.

Proxies of shareholders employed with the company may not be members of the board of directors, executive board or controlling shareholders.

The constraint referred to in paragraph 2 of this article shall also pertain to related parties in the sense of the law governing business companies.

Article 7

The proxy statement must state whether the person nominated for a shareholder's proxy by such statement was nominated by the shareholder company management or a shareholder of the company.

The proxy statement must state the shareholders right to state another person, instead of the nominated person, as the proxy, as well as the right not to appoint the proxy.

The proxy statement must contain the date of establishment of shareholders, which is determined in compliance with the law governing business companies.

Article 8

The proxy statement shall inform the shareholders with the agenda of the shareholders assembly and warn them that in the proxy they need to:

- 1) Determine the degree of proxy authorization and to specify on which decisions proposed at the shareholders assembly the proxy may vote;
- 2) Give instructions regarding the manner in which the proxy is to vote about specific proposed decisions.

By way of exception to paragraph 1 of this Article, proxy statement may stipulate that the proxy may also vote without the instruction on the manner of voting, provided that such statement clearly specifies the manner in which the proxy shall vote about specific issues and provides rationale for such manner of voting.

Article 9

Within the granted authorization, the proxy shall be obliged to represent the shareholders interests with the due attention of a good businessman, and/or a good host, and to protect the interest of the shareholder – grantor of the proxy – in all issues.

If the proxy contains the instructions or orders for exercising the voting right, the proxy shall be obliged to act pursuant to those orders, and if the proxy does not contain such instruction, the proxy shall exercise voting right conscientiously and in the best interest of the shareholder, pursuant to the manner of voting stated in the proxy statement.

Article 10

The proxy granted based on the proxy statement shall be valid only for the shareholder assembly session which such statement pertains to and the shareholders assembly session for which the proxy is granted shall be specified in the statement.

By way of exception to paragraph 1 of this Article, the proxy shall also be valid for the repeated session of the shareholders assembly that was postponed due to lack of quorum, time or for other reasons.

Article 11

The proxy statement must stipulate shareholder's right to narrow or revoke the granted proxy as he/she may wish, and/or must specify the shareholder's right to revoke the proxy at any time prior to voting at the assembly session by a written revocation submitted to the shareholder company or the proxy, or silently by appearing in person and voting at the shareholders' assembly.

Article 12

The Commission may, by mean of conclusion, order to the applicant who submitted the request for approval of the proxy statement to leave out certain data from such proxy statement and proxy proposal, if such data may create an erroneous impression with shareholders with regard to exercising their voting right.

Article 13

The Commission shall approve the proxy statement by means of resolution, provided that proxy statement and proxy proposal contain all the data required and that those data are in compliance with other submitted documentation.

Article 14

On the effective date of these Rules, the Rules on the Content and Form of Proxy Statement ("RS Official Gazette", no 102/2003) shall cease to be valid.

These Rules shall come into force on the next day following its publication in the "Official Gazette of the Republic of Serbia" and shall be applied when the new Law on the Market of Securities and Other Financial Instruments comes into force ("RS Official Gazette", no. 47/06).

No: 2/0-02-501/14-06 Belgrade, 10th November 2006

CHAIRMAN OF THE COMMISSION

Milko Štimac, signed

Attachment 1

PROXY STATEMENT FORM

1. BASIC DATA

- 1.1. State the business name and head office location of a shareholder company;
- 1.2. State the date, time and place of the shareholders assembly session;

1.3. State the date for establishment of shareholders;

1.4. State the manner in which the proxy statement and proxy are sent to the shareholders.

2. SHAREHOLDERS RIGHTS REGARDING GRANTING AND REVOKING OF PROXY

2.1. State the place, address and manner of granting of proxy;

2.2. State the personal name of the person authorized for receiving the proxy.

2.3. State the deadline for submitting the proxy.

2.4. State the right of the shareholder who has granted the proxy to revoke it at any time before the voting at the assembly session by the written revocation submitted to the shareholder company and proxy or tacitly by appearing in person and voting at the shareholders' assembly.

3. DATA ON THE BOARD OF DIRECTORS

3.1. State the personal name and brief resume of members of the board of directors of a shareholder company;

4. DATA ON NOMINATED PROXIES

4.1. State whether the proxies have been proposed by the management or shareholders

4.2. If the proxies are nominated by the company management, state whether any member of management have expressed disagreement regarding such proposal, stating the personal name of such member and reasons for his/her disagreement.

4.3. State the personal name, personal identification number, residence, current employment and brief resume of persons nominated for proxies.

4.4. State whether the persons nominated for proxies are members of the board of directors, executive board (if there is such board in the company) or controlling shareholders of the company to whom the proxy statement pertains and persons related to the company.

4.5. If the nominated proxies are members of the board of directors, executive board or controlling shareholders of the company to whom the proxy statement pertains, or persons related to the company, state their names and positions and state that such persons cannot be proxies of the shareholders employed with the company.

4.6. State the proxy's right to appoint another person as proxy, instead of the nominated person, as well as the right not to appoint the proxy.

5. INTEREST IN MAKING COMPANY DECISIONS

State whether the person who has convened the assembly (board of directors or other person authorized for convening the assembly) has special interest regarding the decision that needs to be decided upon at the shareholder assembly, specify that decision and define the interest.

6. VOTING SHARES

6.1. Specify total number, CFI code and ISIN number for all issued shares of the company;

6.2. Specify total number of ordinary shares, number of own shares and preference shares by classes;

6.3. Specify number and percentage of participation of the Share Fund, Pension and Disability Insurance Fund, and social capital in the total number of issued ordinary shares.

6.4. Specify the number of voting shares which the proxy statement pertains to.

6.5. State the minimum number of shares required for participation in the assembly of the company, if determined by the founding act or articles of association of the company.

6.6. State the business name and head office, and/or personal name of the persons possessing 10% and more than 10% of voting shares of the company and specify the number of shares they hold in absolute and percentage amount.

7. DECISION ADOPTED BY THE ASSEMBLY

7.1. State the decisions the adoption of which is proposed by the agenda of the assembly of the company.

8. APPOINTMENT OF MEMBERS OF THE BOARD OF DIRECTORS AND PRESIDENT AND MEMBERS OF SUPERVISORY BOARD

If the decision that the company needs to adopt pertains to the appointment of members of the board of directors, i.e. the president and members of the supervisory board, state the following:

8.1. Personal name and professional resume of nominated persons, specifying the bodies for which

The shareholder may revoke this proxy at any time.

Signature of the person granting the proxy _____

The date of granting the proxy _____ year

Place _____

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