

CORPORATE GOVERNANCE CODE

I. INTRODUCTION

The Corporate Governance Code (hereinafter referred to as: **Codex**) sets out the principles of corporate practice and organizational culture of the company FINTEL ENERGIJA ad Beograd, with its corporate seat in Belgrade, Bulevar Mihajla Pupina 115e, 11070 Novi Beograd (hereinafter referred to as: **Company**) and in particular in relation to the rights of shareholders, obligations and responsibilities of the Company's management, the role of stakeholders in corporate governance and disclosure of information and the transparency of the Company.

The main goal of this Code is the introduction of good business practice in the domain of corporate governance in order to secure a long-term business development of the Company.

Bearing in mind that the Company has to bring novations in its corporate governance practice in order to remain competitive in a constantly changing environment, it is assumed that the principles listed in the Code are of an evolutionary character. In this regard, the Board of Directors of the Company will make all necessary amendments or amendments to the Code in accordance with the contemporary world trends and exchange of experience in the mentioned area and will duly inform on the public on the same and in full on the Company's web site.

The Code represents a supplement to the current regulations established by the provisions of the Law, the Founding Act and the Articles of Association of the Company and the provisions of this Code do not repeal any rule established by the said acts.

II. SHAREHOLDERS' RIGHTS

1. Basic shareholders' rights

1.1. The Company shall ensure that the shareholders realize their basic rights within the frames regulated by the law, the Founding Act and the Statute, which include in particular the following:

1.1.1. right to a reliable registration of ownership rights over shares;

1.1.2. right to free transfer of shares;

1.1.3. right to regular or timely delivery or ensuring access to relevant information on the work of the Company;

1.1.4. right to participate in the work and vote in the ordinary and extraordinary General Meeting of Shareholders;

1.1.5. participation in the profit of the Company (right to a dividend);

1.1.6. participation in the distribution of liquidation surplus, in case of liquidation of the Company.

2. Participation in the corporate governance

2.1. The Company will timely provide shareholders with sufficient information on issues that represent fundamental corporate changes, such as:

2.1.1. amendments to the Statute or the Company's Foundation Act;

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Seat Bulevar Mihajla Pupina 115e, 11000 Beograd Tel: 011 35 39 539 Fax: 011 35 39 599
Company ID: 20305266 TIN: 105058839 Activity Code: 3511 Data on total nominal capital: 816.564.00 RSD
Bank Account no.: 170-30004721000-28 UNICREDIT BANK AD BECGRAD

- 2.1.2. new emissions and issuance of new shares;
- 2.1.3. disposal of the assets of great value of the Company; and
- 2.1.4. other extraordinary transactions, including decisions on status changes and termination of the Company.

2.2. In order to ensure effective participation and voting at the General Meeting of Shareholders, the Company shall provide the shareholders with the following information and possibilities in a timely manner and in accordance with the law:

- 2.2.1. information on the date, place and agenda of the General Meeting of Shareholders, as well as information on the proposed decisions and other written materials that represent the basis for decision making at the General Meeting;
- 2.2.2. possibility of asking questions to the management of the Company, including questions related to the audit of the financial statements and the possibility to require that certain questions will be included in the agenda of the general meeting; and
 - 2.2.2.1. possibility of voting at the Shareholders' Meeting either in person or in absence so that both voting methods have the same effect.

3. Information on the ownership structure

The Company will enable shareholders to access and make available all information on the ownership structure over the Company's share capital.

4. Equitable treatment of shareholders

- 4.1. All shareholders owning shares of the same class shall be treated equally.
- 4.2. Information on rights arising from shares of each class and each issue will be made available to all investors before purchase.
- 4.3. The Company will provide minority shareholders with rights aimed at their protection, in particular protection against misuse of majority shareholders.
- 4.4. Shareholders will be able to exercise their voting rights in a simple and efficient way through the proxy.
- 4.5. The company will eliminate all obstacles to cross-border voting.
- 4.6. All shareholders will be allowed equal treatment during the convening and voting at the Shareholders' meeting and the voting procedures will be organized in an efficient and transparent manner.

5. Unauthorized trading in shares

- 5.1. The company will endeavor to prevent any form of unauthorized trading of shares on the basis of confidential data as well as abuse in the form of business with itself.

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III. THE ROLE OF INTERESTED PARTIES IN CORPORATE GOVERNANCE

1. The Company will respect the rights of shareholders, investors, creditors, employees and all other stakeholders as defined by law (eg. labor laws, business, trade or bankruptcy) or joint agreements.
2. Interested parties participating in the process of corporate governance will have a timely and regular access to relevant, necessary and reliable information in the manner provided for by law and internal acts of the Company.
3. Interested parties will be enabled to provide information on illegal or unethical practices to the Board of Directors, where the provision of such information will not result in the endangering of their rights.

IV. OBLIGATIONS AND RESPONSIBILITIES OF THE COMPANY'S MANAGEMENT

4. The Board of Directors of the Company shall operate on the basis of comprehensive information, in good faith, with due care and in the best interests of the Company and shareholders.
5. In cases where decisions of the Board of Directors may affect different groups of shareholders differently, the Board of Directors will treat all shareholders fairly and apply high ethical and moral standards, taking into account the interests of all shareholders.
6. In addition to the competence of the Board of Directors envisaged by the Founding Act and the Statute, the Board of Directors will perform certain key functions, such as:
 - 6.1. Reviewing, defining and implementing corporate strategy, business policies and plans, risk management policies, annual budgets as well as monitoring the execution of corporate results, overseeing large capital expenditures, taking over other companies, and selling assets;
 - 6.2. Monitoring the effectiveness of the implementation of corporate governance principles and updating them, if and when needed;
 - 6.3. Selection, rewarding, monitoring, and in case of need and replacement of key executives, as well as supervising the plans and processes for the succession of managers and experts;
 - 6.4. Determining the policy of rewarding key executives, as well as aligning reward policies with the long-term interests of the Company and its shareholders;
 - 6.5. Providing a formal and transparent process of proposing and election of members of the Board of Directors;
 - 6.6. Monitoring and managing potential conflicts of interest between management, members of the Board of Directors and shareholders, including misuse, i.e. misuse of property of the Company and misuse of transactions in related parties;

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- 6.7. Ensuring the integrity of the Company's accounting and financial reporting system, including independent audit, and the existence of appropriate control systems, in particular risk management systems, financial and operational control and compliance with laws and relevant standards;
 - 6.8. Monitoring the process of data disclosure and communication.
7. In order to be able to carry out their duties timely, objectively and independently, the members of the Board of Directors will have access to accurate, relevant and timely information. The members of the Board of Directors are obliged to devote themselves effectively to their obligations in the Company.
 8. The members of the Board of Directors are obliged to perform their tasks conscientiously, with the care of a good businessman, in a reasonable belief that they act in the best interest of the Company. Company directors are obliged to base their assessments on the information and opinions of persons skilled in the relevant field, who are believed to be conscientious and competent in that regard. By acting in this way they are relieved of responsibility for the damage that such an assessment creates for the Company.
 9. The members of the Board of Directors are obliged to act in a loyal and conscientious manner towards the Company and in particular not to use the assets of the company in a personal interest, to not use privileged information for personal enrichment and not to use the business opportunities of the company for their personal needs.

V. NOTIFICATION AND TRANSPARENCY

1. The Company will disclose information that is of importance for the Company's operations and in particular the following data:
 - 1.1. financial and business results of the Company;
 - 1.2. objectives of the Company;
 - 1.3. significant ownership of shares and voting rights;
 - 1.4. remuneration policy for members of the Board of Directors;
 - 1.5. information on the members of the Board of Directors, including their qualifications, the selection process, membership of boards of directors of other companies, and whether the Board of Directors considers them independent;
 - 1.6. transactions with related parties;
 - 1.7. predictable risk factors;
 - 1.8. issues related to employees and other stakeholders;
 - 1.9. structures and management policies, in particular the content of all acts, rules, corporate governance policies and the application process.
2. The company will disclose the above information in accordance with the applicable regulations, in particular the securities market regulations and the reporting to public companies, the

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accounting and auditing regulations, the accounting standards and the securities market rules to which the Company is included.

3. The Company shall disclose information in a timely manner in a manner that ensures equity and economy in access to information and which does not represent an unreasonably high cost to the Company.
4. The Company shall not disclose information which in accordance with the law and internal acts of the Company is a business secret.
5. In order to provide the Management, Shareholders and Investors with objective and complete information on the Company's operations, the Company will engage an independent, competent, qualified and internationally recognized auditor for the audit of the financial statements. External auditors are obliged to carry out the audit in a prescribed and professional manner that could determine whether the financial statements adequately maintain the real state of the Company as a whole.

VI. FINAL PROVISIONS

1. The Board of Directors shall ensure the regular application of this Code and regularly monitor its implementation and compliance of the conduct of the activities of the Company, its organs and their members with the principles established by this Code.
2. All members of the Company's body and all employees in the Company are obliged to abide by the principles set forth in this Code.
3. All future amendments to the Code will be made by the Board of Directors after analyzing the regulatory environment, the practice in implementing the Code and the need to improve the corporate governance.
4. The Code will be published on the Company's website immediately after its adoption, where it will be permanently accessible to the public.
5. In accordance with the applicable law, the Company will submit a statement on the application of the Code in its annual business report.

Belgrade, 19 April 2018

President of the Board of Directors:



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