

Pursuant to article 384 paragraph 2 item 3 from the Law on Trade Companies the Board of directors of OKTA AD – Skopje submit to Annual General Assembly of Shareholders

**REPORT**  
**for the work of the Board of directors of OKTA in 2014**

**I.**

The Board of directors according to the Law on Trade Companies and Charter of OKTA AD – Skopje has the broadest authorizations in the managing the Company within its scope of operations, and acting, in all circumstances on behalf of the Company.

The Board of directors during 2014 held 11 meetings and adopted 34 decisions and 8 conclusions.

With the Decision on 142<sup>nd</sup> meeting of the Board of Directors held on 19.12.2014 Mr. Ioannis Geroulanos was elected as acting member of the Board of Directors upon the resignation of Ms. Theodora Papadimitriou. On the same meeting Mr. Ioannis Geroulanos was appointed as a Chief Executive Officer.

**II.**

On the held meetings, the Board of Directors, reviewed and discussed all significant issues that fell part of its authorities.

During 2014 the meetings of the Board of Directors were attended by managers of the functions relevant in order to explain submitted reports, and material given on the meetings. According to the principles of good corporate governance, open discussions were held, related to materials for the meetings and all other significant issues.

All members of the Board participated actively and cooperated positively for the achievement of the Company together for 2014.

On the 142<sup>nd</sup> meeting held on 19.12.2014 the Board of Directors reviewed the Business plan of OKTA for 2015-2019 and concluded that it is justified with clearly defined objectives on all management levels ensuring integration of all efforts in achieving common goals of the company.

**III.**

The Board of Directors according to the article 415-v of the Law on changes and amendments of the Law on Trade Companies reviewed the semiannual report of the Internal Audit department of the Company.

The Internal Audit Department as an independent organizational unit submitted the Annual report for their work in 2014 on the meeting held on 27.03.2015.

The Board of Directors is of the opinion that the Annual Report of Internal Audit Department is of good quality, comprehensive and objective and provides a comprehensive review and summary of the audits which by size and dynamics is in accordance with approved Annual Working Plan for 2014. On the session held on 27.03.2015 the Board adopted the Decision for approval of the Annual Report of Internal Audit Department.

The Annual Report of Internal Audit for 2014 is included in the file available to the Shareholders in view of the Annual General Meeting, which will be held on 29<sup>th</sup> of April 2015.

The Board of Directors according to article 415-b of the Law on changes and amendments of the Law on Trade Companies reviewed the Annual plan of the Internal Audit Department for 2015 and adopted it.

IV.

In accordance to Article 480, paragraph 2 of the Law on Trade Companies, the Board held a meeting on 25.02.2015 on which the Financial Reports for the year ended on 31.12.2014 were reviewed, together with the Reports for executed audit and the Opinions submitted by the independent auditors.

The audit was made in accordance to the International Audit Standards and the Audit Law of Republic of Macedonia.

According to the opinion of the independent auditors, the financial reports of OKTA AD Skopje for the year ended on 31.12.2014 have been prepared in all material aspects in accordance to the accounting regulations of RM.

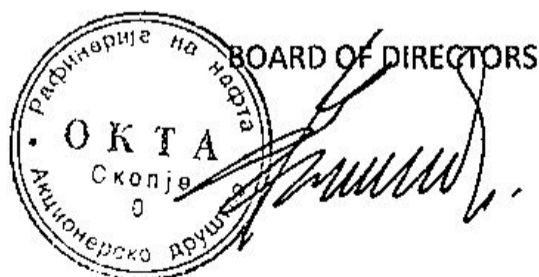
Together with the Financial Reports, the Board of Directors reviewed also the Annual Account of the Company for 2014, the Annual Report of the Company for the period January-December 2014 and proposal Decision for covering the loss according to the Annual Account of the Company for 2014 and proposes to the Assembly of Shareholders of OKTA, on the Annual General Assembly that will be held on 29<sup>th</sup> of April 2015, to bring Decisions according to which they will be approved and adopted.

V.

The work of the Board of Directors during 2014 was within the authorizations determined by the Law on Trade Companies and the Charter of OKTA AD- Skopje.

27.03.2015

BOARD OF DIRECTORS  
OKTA  
Скопје  
Акционерско друштво



27.03.2015