

0202- 1088/18-4  
28.03.2018

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

**REPORT  
for the work of the Board of Directors of OKTA in 2017**

I.

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

The Board of Directors during 2017 held 6 meetings and adopted 21 decisions and 2 conclusions.

II.

At the meetings that were held, the Board of Directors, reviewed and discussed all significant issues that are part of its authorities.

During 2017 the meetings of the Board of Directors were attended by directors and managers of the relevant functions in order to explain the submitted reports and the material given on the meetings. According to the principles of good corporate governance, open discussions were held, related to the 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 2017.

On the 162<sup>nd</sup> meeting held on 13.12.2017 the Board of Directors reviewed the Business plan of OKTA for 2018-2022 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 2017 on the meeting held on 28.03.2018.

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 are in accordance with the approved Annual Working Plan for 2017. On the session held on 28.03.2018 the Board of Directors adopted the Decision for approval of the Annual Report of the Internal Audit Department.

The Annual Report of Internal Audit Department for 2017 is included in the file which will be submitted for reviewing to the Annual Shareholders' Assembly Meeting which will be held on 15<sup>th</sup> May 2018.

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 2018 and adopted it.

IV.

In accordance with Article 480, paragraph 2 of the Law on Trade Companies, the Board held a meeting on 22.02.2018 on which the Financial Reports for the year ended on 31.12.2017 were reviewed, together with the Reports for executed audit and the Opinions submitted by the independent auditors.

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

According to the opinion of the independent auditors, the financial reports of OKTA AD - Skopje for the year ended on 31.12.2017 have been prepared in all material aspects in accordance with the accounting regulations of the Republic of Macedonia.

Together with the Financial Reports, the Board of Directors reviewed also the Annual Account of the Company for 2017, the Annual Report of the Company for the period January-December 2017 and the Proposal Decision for approval of the Annual Account, audited Financial Statements and Annual Report for the year ended 31 December 2017, the Proposal Decision for allocation of the net profit for 2017 FY and proposes to the Assembly of Shareholders of OKTA, on the Annual General Assembly that will be held on 15<sup>th</sup> of May 2018, to bring Decisions according to which they will be approved and adopted.

V.

The work of the Board of Directors during 2017 was within the authorizations determined by the Law on Trade Companies and the Charter of OKTA AD - Skopje.

28.03.2018

On behalf of THE BOARD OF DIRECTORS



Chairman

Efstathios Grivas

