

0202-946/6
26.04.2023

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

REPORT
on the operation of the Board of Directors of OKTA in 2022

I.

The Board of Directors according to the Law on Trade Companies and the 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 2022 held 8 meetings, on which it passed 10 decisions and 9 conclusions and determined 5 proposal decisions for the Assembly. The Board of Directors also passed 1 decision via correspondence, without conveying a meeting.

II.

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

During 2022 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 achievements of the Company for 2022.

On the 201nd meeting held on 06.02.2023 the Board of Directors reviewed the Business plan of OKTA for 2023-2027 and concluded that it is justified, with clearly defined objectives on all management levels, thus ensuring integration of all efforts in achieving the common goals of the Company.

III.

Pursuant to article 415-c of the Law on Trade Companies, the Board of Directors reviewed the semi-annual 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 2022 on the meeting held on 28.02.2023.

The Board of Directors is of the opinion that the Annual Report of the Internal Audit Department is of good quality, comprehensive and objective and provides a comprehensive review and summary of the performed audits, which by size and dynamics are in accordance with the approved Annual Working Plan for 2023. On the meeting held on 28.02.2023 the Board of Directors adopted the Decision for acknowledgement of the Annual Report of the Internal Audit Department.

The Annual Report of the Internal Audit Department for 2022 is included in the file which will be submitted for reviewing to the Annual Shareholders' Assembly meeting.

The Board of Directors according to article 415-b of the Law on Trade Companies reviewed the Annual plan of the Internal Audit Department for 2023 and approved it.

IV.

In accordance with Article 480 paragraph 2 of the Law on Trade Companies, the Board held a meeting on 28.02.2023 on which the Financial Reports for the year ended on 31.12.2022 were reviewed, along with the Reports for performed audit and the Opinions submitted by the independent auditors.

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

According to the opinion of the independent auditors, the financial reports of OKTA AD - Skopje for the year ended on 31.12.2022 have been prepared in all material aspects in accordance with the accounting regulations of the Republic of North Macedonia.

Along with the Financial Reports, the Board of Directors also reviewed the Annual Account of the Company for 2022, the Annual Report of the Company for the period January-December 2022 with the enclosed Statement on the compliance with the Corporate Governance Code for listed companies of the Macedonian Stock Exchange and the related Questionnaire, as well as the Proposal Decision for approval of the Annual Account, audited Financial Statements and Annual Report for the year ended 31 December 2022, the Proposal Decision for allocation of the profit realized in 2022 FY and proposes to the Assembly of Shareholders of OKTA, on the Annual General Assembly to pass Decisions according to which they will be approved and adopted.

V.

The operation of the Board of Directors during 2022 was within the authorizations determined by the Law on Trade Companies and the Charter of OKTA AD - Skopje.

26.04.2023

On behalf of THE BOARD OF DIRECTORS

Mr. Dionysios Routsis

The Chairman

