

„BANJALUČKA PIVARA“ AD
BANJA LUKA
- Management Board -
No: 02-133/2018.
Date: May 22, 2018

On the basis of Article 41 of the Articles of Association of AD „Banjalučka pivara“ Banja Luka, in relation to Articles 281 and 282 of the Law on Business Companies (Official Gazette of the Republic of Srpska, No. 127/08, 58/09, 100/11, 67/13, and 100/17), the AD Management Board has established, at its LXXXVI session held on May 22, 2018, and submitted to the AD Assembly, the following

REPORT ON WORK OF THE MANAGEMENT BOARD AND EXECUTION OF THE ASSEMBLY RESOLUTIONS IN 2018

1. REPORT ON EXECUTION OF RESOLUTIONS OF THE SHAREHOLDERS' ASSEMBLY

The Assembly of „Banjalučka pivara“ AD Banja Luka adopted, at its XXIV annual session, held on 29th May 2017, the following Resolutions:

01-211/2017 - Report on Work of the Management Board of AD „Banjalučka pivara“ and on execution of the Assembly Resolutions in 2016

01-213/2017 - Resolution on adoption of the Annual Accounts and Report on Business Operations and Implementation of the Business Policy for 2016

In accordance with the Law on Registry of Financial Reports of the Republic of Srpska, this Resolution, with an Opinion of an Independent Auditor and revised Reports, was submitted to APIF.

01-214/2017 - Resolution on distribution of realised profit of the Company in 2016

Based on this Resolution, the Company distributed the net profit realised in 2016 of **6,139,116.13 KM** as follows:

- amount of **306,955.81 KM** for legal reserves,
- amount of **30,695.58 KM** for statutory reserves,
- amount of **45,744.36 KM** for dividend to owners of preferential, cumulative-participatory shares,
- amount of **5,755,720.38 KM** remained undistributed.

01-215/17 - Resolution on payment of dividend from 2016 profits

Based on this Resolution, the Company paid a dividend to the owners of preferential, cumulative-participatory shares in the total amount of **45,744.36 KM** in cash. The dividend was distributed proportionally to all owners of preferential, cumulative-participatory shares so that each share was entitled to the same nominal amount of 0.03 KM.

01- 216/2017 - Resolution on disposal with assets of a great value

This Resolution provided the Company with the approval to enter into a legal relationship and sign legal documents with „UniCredit Bank“ a.d. Banja Luka, namely the Contract on a loan in the amount of 5,867,490.00 KM and the Contract on a revolving loan in the amount of 3,911,660.00 KM. To this aim, the Company was given the approval to provide a pledge over „Banjalučka pivara's“ movable and immovable assets and bank accounts as a repayment guarantee to „UniCredit Bank“ a.d. Banja Luka.

01-217/2017- Resolution on establishing the basis of the Business Policy of „Banjalučka pivara“ AD for 2017

Execution of this Resolution may be considered with the Report on Business Operations and Implementation of Business Policy for 2017.

01-218/2017 - Resolution on election of Independent Auditor of financial reports for 2018

On the basis of this Resolution, the Management was authorised to conclude a contract with the Company for Auditing „KPMG“ d.o.o. za reviziju, Jovana Dučića 13, 78000 Banja Luka, Republika Srpska, BiH, performance of auditing of financial report of „Banjalučka pivara“ for 2018 at a total compensation in the amount of EUR 14,000, plus travel and accommodation costs of the KPMG officials.

The Assembly of „Banjalučka pivara“ AD Banja Luka adopted, at its XXV extraordinary session, held on 19th Jun 2017, the following Resolution:

01-220/2017 - RESOLUTION on squeeze out of shares of the minority shareholders to the Buyer

Based upon this Resolution, Altima UK Value Investments Limited, which, in Accordance with the Law on Business Companies, at the time held the status of a Buyer, as it owned shares which represented 90.5% of the Company's share capital, conducted the squeeze out of shares of the minority shareholders in the Company in accordance with legal regulations.

2. REPORT ON WORK OF THE MANAGEMENT BOARD

During 2017, the Management Board held 43 sessions at which a total of 72 resolutions were adopted.

Banjalučka berza is notified about the work and sessions of the Management Board, on a regular basis, particularly when the Agenda includes periodic and annual financial statements, convening of Shareholders' Assembly sessions and other resolutions, establishing proposals of the Shareholders' Assembly resolutions related to the adoption of financial statements and changes and amendments of the Articles of Association of the Company.

Management Board acted in its work in line with the Articles of Association and Law on Business Company, fully respecting and applying the Corporate Management Standards and Code of Conduct and Management.

DELIVERED TO:

1. AD Shareholders' Assembly
2. Management Board file
3. a/a

MANAGEMENT BOARD PRESIDENT

Ragnar Tryggvason