Bilateral screening : Chapter 6

PRESENTATION OF THE REPUBLIC OF SERBIA

Brussels, 5 February 2015
Shareholders' rights
Relevant acquis


Legislative framework in Serbia

The company’s general meeting, where shareholders discuss and take decisions, can be ordinary and extraordinary.

• Ordinary general meetings are held at least once a year, at the latest by June 30th of the current year.

• Extraordinary general meetings are held when the need arises to discuss and decide on topical issues between two ordinary general meetings.

• The convocation of the general meeting must be sent to the company shareholders 30 days before the date of the scheduled ordinary general meeting, and 21 days before the date of the scheduled extraordinary general meeting.

• If the general meeting is reconvened, the convocation must be sent to the shareholders at least 10 days before the date of the reconvened meeting.

• The convocation is sent to the shareholders registered in the Central Securities Depository (CSD) on the date when the decision to convene a general meeting was taken.
The **convocation of the general meeting** must specifically indicate:

- when the convocation was sent; when and where the general meeting is to take place; and where and how the materials for the general meeting can be obtained,

- a draft agenda with a clear indication of the items proposed to be adopted by the general meeting, specifying the class and total number of shares voting on that decision and the majority required to pass the decision,

- legal remedy dealing with shareholder rights with regard to their participation in the general meeting session, and a clear and precise description of the rules for exercising these rights,

- a proxy form, if the use of a form is required,

- notice of the shareholders' day and explanation that only company shareholders have the right to participate in the general meeting on that day, a precise description of the rights that shareholders have in connection with proposing the agenda and their rights to ask questions; a description of the procedure for voting by proxy, and in particular information about whether the company allows its shareholders to deliver a proxy notice electronically, a description of the procedure for voting in absence, and for voting electronically.
• One or more shareholders holding at least 5% of the voting shares have **the right to propose new agenda items** for the general meeting, provided that each such item is accompanied by a justification and a draft resolution that they propose be adopted at the general meeting, at least 20 days before the date of the scheduled ordinary general meeting and 10 days before the date of the scheduled extraordinary general meeting.

• All shareholders registered with the Central Securities Depository on Shareholders’ Day have **the right to participate in and vote at general meetings. Shareholders’ Day** is the tenth day before the date of the scheduled general meeting.
Right to ask questions

• The right of a shareholder to participate in the general meeting also entails that he has the right to put questions to the management related to items on the agenda of the general meeting or to the company, provided that the answers to those questions are necessary to properly assess issues related to the items on the agenda of the general meeting.

• Members of the management body have the obligation to answer the questions put to them by the shareholders during the general meeting. Exceptionally, they may refuse to answer a question if it can be reasonably inferred that by doing so they will cause damage to the company or its affiliated party; that by providing an answer they would be committing a crime; or if the relevant information is and was available on the company’s website in a question and answer format at least seven days before the scheduled general meeting.
Participating in general meetings by electronic means

The statute or code of conduct of the general meeting may allow participation in general meetings by electronic means, specifically:

- real-time transmission of the general meeting;
- real-time two-way communication enabling shareholders to address the general meeting from a remote location;
- a mechanism for casting votes by electronic means, whether before or during the general meeting, without the need to appoint a proxy holder who is physically present at the meeting.

Voting by correspondence

Shareholders may vote by correspondence without being present at the general meeting, provided that the signature on the voting form is notarized by the competent state authority. The statute may exclude the obligation to notarize the signature. A shareholder who voted in absentia is deemed present at the general meeting where decisions are taken on the agenda items he voted on.
Proxy voting

- Any person with full legal capacity can be a proxy holder. The company may not restrict the eligibility of persons appointed as proxy holders or restrict their number.

- Exceptionally, a proxy of the shareholder may not be a person who is a controlling shareholder of the company or is related to the controlling shareholder in some way. The proxy holder may not be an employee or an auditor of the company, or of a controlling shareholder or controlled entity.

- A proxy holder may be appointed only in writing and the appointment must contain information on the proxy holder and the shareholder appointing the proxy, the number, type and class of shares for which the proxy was issued.

- The company is required to allow the appointment of a voting proxy by electronic means. Mandatory forms can be stipulated.

- The possibility to request a mandatory copy of the appointment of a proxy.

- The possibility to request the mandatory delivery of a copy of the proxy appointment before the date of the scheduled general meeting, no more than three days.
Voting results

• For each decision, the chairman of the general assembly is required to count the total number of shares of each voting shareholder, the percentage of share capital represented by those shares, the total number of votes and the number of votes for and against that decision as well as the number of votes of shareholders who abstained from voting.

• Within three days from the date of the general meeting, the company must post all of the decisions passed at the general meeting on its website, along with the voting results for each item of the agenda that shareholders voted on.
Alignment with the EU Acquis

Alignment with the EU Acquis of the national legislation with the Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies has been fully achieved.
REPUBLIC OF SERBIA
Negotiating Team for Accession of the Republic of Serbia to the European Union

THANK YOU FOR YOUR ATTENTION.