



**Questions asked by the shareholders at the annual Shareholders' Assembly of Makedonski Telekom held on 16 April 2018 and answers provided by the Company**

**I. Under II. WORKING PART**

**Question:** Should the opinion of the Board of Directors that proposes the material for the meeting of Shareholders' Assembly be stated in the Agenda?

**Answer:**

In every preamble of the resolutions of the Shareholders' Assembly there is a reference to the respective Resolution of the Board of Directors, i.e. that all Resolutions that are subject to approval at the present meeting of the Shareholders' Assembly and proposed in the Agenda, had been previously approved by the Board of Directors, with the exception of item 7 (seven) – Proposed Resolution on the Approval of the Operation of the Members of the Board of Directors of the Company for 2017, since regarding this item the Shareholders' Assembly decides pursuant to the Law on Trade Companies and not upon the proposal and opinion of the Board of Directors. Based upon the afore-stated, the legal obligation has been fully met.

**II. Upon item 1 of the Agenda: Proposed Resolution on the adoption of the Annual Accounts of the Company for the Year 2017 in accordance with the adopted international financial reporting standards published in the *Official Gazette of the Republic of Macedonia***

**Question:** Why the expenditures in 2017, as well as in 2016, were unreasonably high, i.e., why 82% of the revenues were expenditures and asked for a detailed report and explanation regarding item 10 (ten) of the Report pertaining to the Annual Accounts of the Company for 2017?

**Answer:**

As stated in the Annual Accounts, in the segment of the notes pertaining to the Annual Accounts, item no. 10 refers to note 15 in which the types of costs for 2017 and 2016 have been displayed comparatively. The foregoing is integrally presented in the respective answer.

15. Services characterized as material costs and other costs and expenditures

In MKD	2017	2016
Payments to operators	894.255.895	1.043.571.238
Maintenance	542.516.391	452.765.777
Services	532.000.414	562.384.686
Marketing and donations	316.738.603	304.825.938

Fees, duties and local taxes	280.807.467	276.203.439
Subcontractors	229.254.600	278.474.723
Royalty fees	190.864.056	242.091.165
Adjustment of receivables	153.982.007	58.025.424
Rental fees	138.450.551	142.975.043
Consultancy services	42.444.647	47.116.878
Depreciation of stock	32.876.975	24.052.620
Loss on scrapping of non-current assets	21.227.854	44.019.772
Insurance	14.327.367	11.634.615
Other	16.596.503	12.642.832
	3.406.343.330	3.500.784.150
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**Question:** When was the last time that the Public Revenue Office controlled the operation of the Company?

**Answer:**

In 2016 the Public Revenue Office performed a detailed inspection and control of the operation of the Company by 2015 inclusive, and the Company is also subject to regular controls by the Public Revenue Office.

**III. Upon item 6 of the Agenda: Proposed Resolution on the Payment of the Dividend of the Company for the Year 2017 and the Determination of the Dividend Calendar**

**Question:** What amount would be paid for taxes in order to inform the shareholders about the amount they would receive as dividend?

**Answer:**

For domestic and foreign natural persons the payment shall be effectuated by means of withholding the personal income tax in accordance with the applicable legal regulations on the day of the payment of the dividend, which is currently 10 (ten) %. For foreign legal entities, the withholding tax shall be withheld in accordance with the applicable legal regulations on the day of the payment of the dividend which is currently 10 (ten) %.

**IV. Upon item 7 of the Agenda: Proposed Resolution on the Approval of the Operation of the Members of the Board of Directors of the Company for 2017**

**Question:** Should there be a report on the work for each of the members of the Board of Directors, as well as of the entire Board of Directors?

**Answer:**

Enclosed with the materials for today's meeting of the annual Shareholders' Assembly, after the Proposed Resolution on the approval of the operation of the members of the Board of Directors of the Company for 2017 there was Information about the participation of the members of the Board of Directors at the meetings held in 2017. Furthermore, it was pointed out that the operation of the members of the Board of Directors may be observed also on the basis of the approved Annual Report on the operation of the Company and the Financial Statements and therefore it was concluded that adequate material had been provided for deciding upon the proposed item of the Agenda.

**IV. Upon item 8 of the Agenda: Proposed Resolution on the adoption of the Annual Report on the Operations of the Internal Audit Department of the Company for the Year 2017**

**Question:** Who is the Director of the Internal Audit Department?

**Answer:**

Mr. Ognen Firfov is the Director of Internal Audit Department, appointed by the Board of Directors in accordance with the legal obligation.