

It has been envisaged that the contracts the value of which is higher than two million euros (in RSD counter-value) should be counter-signed by the PE EPS Director. The objective of this solution is not to get into the authorities of a company director, nor is this legally possible. A company director is the company's legal representative and he is responsible for the company's business operations. He is responsible for the implementation of this particular contract which is counter-signed by the PE EPS Director. By counter-signing important contracts, the PE EPS Director gains the possibility, in case of need, a change in the business climate or regional circumstances during the business year, to take measures useful to the entire EPS, and not only to one company or only to the particular project. Now, we have such situation with the recovery from severe consequences of the last summer's floods in the MB "Kolubara". This rehabilitation is not only the concern of the MB "Kolubara", but of the entire EPS, because, if we do not have coal, we will not have our main product, the electricity.

This summer has been marked by the preparations of the new model of internal organisation of the PE EPS ("Electric Power Industry of Serbia"). A new organisational structure is being defined, as well as the manner of work management and coordination, all in accordance with the PE EPS Memorandum of Association and the PE EPS Articles of Association of which the Government of the Republic of Serbia gave its approval at the end of February this year. In the meantime, in August, the Government also gave its approval of the Articles of Organisation of the subsidiaries in which the PE EPS has a hundred-percent participation in the ownership of the fixed capital, so that the entire corporatization process of the "Electric Power Industry of Serbia" can flow almost uniformly. The goal is to achieve business efficiency which will enable income generation and further development of the company, by changing the legal form and transiting into a joint stock company, as well as through appropriate internal organization. In this context, it is worth remembering the axiom "form defines essence", because then it is easier to understand the importance, complexity and comprehensiveness of the activity carried out on the road towards corporatization, i.e. the joint stock company.

EPS corporatization and restructuring activities began back in 2007, when the first proposal for changing the legal form of the PE EPS into EPS j.s.c. was sent to the Serbian Government, and that, by the Company Law of 2012, the process was accelerated in the segment referring to corporate management, because the legal obligation was prescribed that the PE Memorandums should be harmonized with this new law within the given legal deadlines. In addition, considering that the Company Law was adopted one month after the Serbian Government accepted the "Baselines for Reorganization of the 'Electric Power Industry of Serbia'", the obligation to harmonize the EPS organization with these new legal solutions came to the forefront, which, to a certain extent, slowed down other activities envisaged by the "Baselines", such as the change of the legal form, for example.

The decision on the basics of the EPS internal organisation has been prepared and its adoption can be expected during September. This document consists of two main segments. In the first segment, the basics of organisation of activities, organisational forms in the EPS, as well as the scope of work of the main organisational units have been defined and this segment has been prepared by the Human Resources Function.

In the other segment, prepared by the Department for Legal and General Affairs, the manner of work management and coordination in the “Electric Power Industry of Serbia” and the PE EPS has been regulated. The EPS subsidiaries should also adopt their own respective documents on internal organisation, which they have not had so far, and then, they should adopt jobs classification.

The main goal of this restructuring process was to place business plan as key objective. medium-term and annual plans, so that their execution is the measure of management success. Unfortunately, business plans are often wish lists, which are not too binding, because there are neither rewards nor penalties for their execution or non-compliance with them. Therefore, it is highly important to make it very clear that business plans have become very binding, and the extent of this is also illustrated by the fact that the obligation of quarterly reporting on the execution of business plan and the objectives of business policy has been envisaged by the Company.

The relations between the owner and the company, the mutual relations between bodies within a company itself and their competencies were regulated in this process, so as to achieve a successful and quality management of the economic entity. By the decision on the basics of the EPS internal organisation, which has been prepared, the whole picture of organisation has been given, not completely and not to the end, but to the level of sectors, and special attention has been paid so as to define clearly which organisational unit is responsible for which activities. Lower organisational units will be defined by a document on jobs classification, down to job positions. They have also taken care, to determine the competencies and fields of responsibility of executive directors, as well as the organisational pyramid in their competence.

For example, in the EPS group, there are no clearly defined decisions if EPS is ready to give an advance payment and to which amount when contracting projects, or what kind of guarantees we demand for quality fulfilment of contracted jobs. Or, what all the risks against which the property and persons in the EPS group should be insured are. This is what must be defined through the guidelines of the EPS business policy. The general rules of the game will be prescribed by the business plan, and then, through binding instructions, the EPS Director, the competent Executive Director or the Executive Board of the EPS will determine how the rules of the game will be applied.

Counter-signature of EPS Director