

STATUTE of ALKALOID AD Skopje



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(Consolidated Text)

based on Resolution for amendment of the Statute of ALKALOID AD Skopje
no. 0201-03 dated 01.04.2024 ¹



ALKALOID
SKOPJE

Health above all

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1. General/Introductory Provisions

Article 1

Pharmaceutical, Chemical, and Cosmetics Industry ALKALOID AD Skopje (hereinafter: The Company), which has been registered in the trade register under this Statute, is the sole legal successor of Pharmaceutical, Chemical, and Cosmetics Industry ALKALOID AD Skopje which has been registered in the Court Register.

Article 2

The Company shall be a legal entity possessing rights, duties, and obligations provided by law and this Statute.

The company shall do business independently and permanently to generate a profit.

As a legal person, the company may acquire rights and assume obligations, acquire property and other property rights, enter contracts and other legal matters, sue and be sued before a court, arbitrational tribunal, or other elected court and take part in other proceedings.

The Company shall be founded for an indefinite period.

Article 3

The company shall be liable for its liabilities with its entire property.

The shareholders shall not be liable for the Company's liabilities unless otherwise provided by law.

2. Business Name, Registered Office, Seal/Signs, Scope of Business

Article 4

The company shall operate and take part in the legal transactions under the name: Pharmaceutical, Chemical, and Cosmetics Industry ALKALOID AD Skopje.

Each part of the company shall use the same business name in legal transactions and shall add a designation to the business name, indicating that it is a part of that company.

The abbreviated business name of the Company shall read: ALKALOID AD Skopje.

In the legal transactions abroad or its relations with foreign entities, the Company shall use the abbreviated business name, in the Latin alphabet - ALKALOID AD Skopje or in the Cyrillic alphabet - АЛКАЛОИД АД Скопје.

Article 5

The company shall have a trademark (logo).

The trademark of the Company shall be a circle with a circular field, in one colour, intersected by elements representing the letter "A", and the letter "A" itself is a symbol of a snake and a pharmaceutical bowl.

The use of the logo shall be determined by the Company's Management Board (hereinafter: Management Board).

The Company's trademark may be used with a stylised modification of the mark defined in paragraph 2 of this article, for various purposes and under specific circumstances, with the approval of the Chief Executive Officer.

Article 6

The Company shall have:

- a circular stamp to be used in the country and the international business relations and written on it, in the Cyrillic alphabet, shall be the text of the business name, a rectangular stamp with the business name written on it, with a space to enter the number and date of registration of a document.

The seal and the stamp shall be used on all general and individual acts and in the correspondence with natural and legal persons unless otherwise provided by law or Company internal acts. The seal and the stamp shall be used and handled by an authorized person, appointed by the Management Board.

The size of the seals and the stamp, their content, number and manner of use, records, and destruction shall be governed by a Rulebook passed by the Management Board.

Article 7

The Company registered office shall be in Skopje, at Aleksandar Makedonski Boulevard, number 12.

Article 8

The change of the business name, the registered office, and the Company logo shall be decided by the Company's Shareholders Assembly upon a proposal of the Management Board.

In exceptional situations, the Management Board may decide about the change of the Company's registered office for reasons not in line with the Company's strategic interests and to comply with laws and regulations. The decision shall be valid until the next Shareholders Assembly, when it must be confirmed.

At the same time when deciding to change the business name, registered address, and logo, the new business name, registered address, and logo shall be decided upon too.

Article 9

The Company's scope of business shall be all activities defined in the National Classification of Activities, except for those requiring consent, permit, or other act of a state or other competent authority, and certain activities for which the Company has consent, license, or other act of a state body, or other competent authority, as follows:

- 01.11 Growing of cereals (except rice), leguminous crops, and oil seeds
- 20.13 Manufacture of other basic inorganic chemicals
- 20.14 Manufacture of other basic organic chemicals
- 21.10 Manufacture of basic pharmaceuticals
- 21.20 Manufacture of pharmaceutical preparations
- 46.21 Wholesale of grains, unmanufactured tobacco, seeds, and fodder
- 46.46 Wholesale of pharmaceutical products
- 46.75 Wholesale of chemical products
- 69.10/4 Other legal activities
- 69.20 Accounting, bookkeeping and audit activities and tax consulting

International commercial activities:

- International trade in food products
- International trade in non-food products
- Intermediation in international trade/re-export
- Intermediation in international and domestic trade
- Representation of foreign and domestic companies
- International carriage of goods
- International forwarding
- Transportation and agency business
- Cross-border trade with neighbouring countries

Article 10

The company shall also conduct other activities necessary for it to exist and perform the affairs from its scope of business, not directly related to the scope of business, without having to register them in the trade register, as follows: security-related activities, fire protection, maintenance, etc.

Article 11

The Management Board shall be the one deciding on the changes in the Company's activity, or to expand, reduce the number, or replace activities outside of the Company's scope of business.

Branch Office

Article 12

The company may conduct business and activities within its subject of business outside of its registered office, through one or more branch offices.

The branch office shall be established and terminated by a decision of the Company's Management Board, as provided by the Statute.

The decision to establish a branch office shall contain the business name and registered office of the founder, the Company's and branch office's scope of business, predominant activity under the National Classification of Activities, and the persons in the branch office authorized to represent it.

The branch office may perform all activities from within the Company's scope of business. The branch office shall not have a status of a legal person. The Company shall assume the rights and liabilities from the branch office's business.

The branch office shall operate under the Company's business name, which must refer to its registered office and the word "branch office". By a decision, it may be allowed that the branch office may add its own name to the Company's business name.

3. Share Capital

Article 13

The Company's property shall be expressed in cash and represents the Company's share capital.

The Company's share capital shall be EUR 36.591.360,61.

Article 14

The Company's share capital shall be divided into 1.431.353 shares, 1.428.125 of which shall be ordinary shares, while 3.228 preferred shares shall be reserved for the former owners. The share capital shall be valued in compliance with the regulations.

4. Shares

Article 15

A share is a security representing part of the share capital which embodies the rights of shareholders, who as owners of shares, are not the Company's creditors or partial owners of the Company's property.

A Company shareholder is the owner of one or more shares in the Company, who is not liable for the Company's liabilities.

Shares shall be issued, transferred, and kept in an electronic record with the Central Securities Depository, as provided by law.

Article 16

The nominal value of one common share shall be 25,56 Euros.

The Company shares shall be indivisible.

The Company may also issue shares above their nominal value (issue premium).

Article 17

The Company may, by amending the Statute, split the shares and simultaneously reduce their nominal value, provided that the share capital remains unchanged.

The Company may, by amending the Statute, carry out a reverse split of the shares and simultaneously increase their nominal value, provided that the share capital remains unchanged.

Article 18

The Company shall issue ordinary and preferred shares.

Ordinary and preferred shares shall be issued in accordance with the law.

Article 19

Ordinary shares shall confer the following rights to their owners:

1. The right to vote at the Company's Shareholder Assembly;
2. The right to be paid a portion of the profit (dividend);
3. The right to be paid a portion of the remainder of the Company's liquidation or bankruptcy estate.

Article 20

Each ordinary share shall give the right to one vote at the Company's Shareholders Assembly.

Article 21

The preferred shares of the Company shall be non-voting shares.

Preferred shares, in accordance with the Resolution for their issuance, may be issued as voting shares.

The total nominal value of preferred non-voting shares shall not exceed 30% of the Company's share capital. The total nominal value of preferred shares, both voting and non-voting, shall not exceed the total nominal value of ordinary shares in the share capital of the Company.

Preferred shares may be converted into ordinary shares.

Resolution to Issue Shares

Article 22

The resolution to issue shares shall be passed by the Company's Shareholders Assembly with a two-thirds majority of the voting shares, represented at the Shareholders Assembly.

The resolution to issue shares shall contain: Company's business name as issuer of shares; type and class of shares; total value of shares issued and number of shares, i.e. value of total issue of shares; nominal value of shares, number of votes each share bears if it entitles management rights, manner of payout of dividends; time of registration of shares; manner of subscription of shares; to whom and until when funds for purchase of shares are to be paid; deadline and interest for refund of paid funds in case of cancelation of issuance of shares; type of shares; order of primacy when preferred shares are issued in several batches; manner of announcing the issuance of shares; procedure for distribution and allocation of shares and manner of payment of shares; conditions for payment of cumulative dividend; bearing of risk; manner of use of shares; possibility of conversion of shares; rights acquired by holders of shares; shareholders' pre-emptive right to purchase shares at new issue of shares, and other issues related to the issuance of shares.

If the issuance of shares must be approved by a competent authority, the Company shall take all necessary actions.

Shareholder Register

Article 23

Shares shall be registered in the Company's register of shareholders (hereinafter: shareholder register) kept in electronic form by the Central Securities Depository.

Shares shall be transferable without limitation and freely traded on the secondary securities market.

Each person registered in the shareholder register, in the manner provided by law, shall be deemed to be a shareholder.

The initial registration and the registration in the shareholder register of shares issued when increasing the share capital shall be carried out upon Company's order. Changes in the shareholder register shall correspond to the transfer of shares by trading at the stock exchange or transferred otherwise, as allowed by law.

At the Company's request, the Central Securities Depository shall notify the Company of the changes in the shareholder register.

Any shareholder shall be entitled to receive a photocopy of the data contained in the Company's shareholder register upon a previous request to the Central Securities Depository. The photocopy and the data contained therein may be used solely for the exercise of the shareholder's rights.

Article 24

Under the law, the Company may issue convertible bonds up to one half of the share capital which shall confer creditors the right to exchange them for shares, during a specific option period, or at any time during the term of the bond, and to issue bonds that give pre-emptive right to purchase new shares issued by the Company.

The convertible bonds referred to in paragraph 1 of this article shall be issued in the manner and procedure envisaged for issuance of shares by this Statute.

Shareholders shall be entitled to a pre-emptive right to acquire the bonds referred to in paragraph 1 of this article. The provisions of this Statute relating to the pre-emptive right to subscribe for newly issued shares shall equally apply to the pre-emptive right to subscribe to newly issued convertible bonds.

Bonds shall be purchased for cash.

The Company may conclude option contracts for purchase and sale of shares and bonds and futures contracts based on a Management Board's Decision, under the working and decision-making conditions of the management body determined in this Statute.

Stock Exchange Listing

Article 25

A decision to list the securities on a stock exchange shall be passed by the Company's Management Board.

The securities approved for listing on the stock exchange shall contain all elements defined by law and in their issuance act.

The company shall respect the stock exchange listing rules.

Delisting of securities from the stock exchange proposed by the Company's Management Board shall be made by a Shareholders Assembly resolution.

The Company may decide to list the Company securities on a foreign stock exchange. The decision to list the Company securities on a foreign stock exchange shall be made by the Company body, which, under the regulations applicable in the country of the stock exchange, is competent to pass a decision for the listing of securities on that stock exchange. To list the Company securities on a foreign stock exchange, the Company shall pass all necessary acts and carry out all necessary procedures, required by the listing rules on that stock exchange.

Insider Information

Article 26

Persons who are shareholders, Management or Supervisory Board members, employees, or external associates who have access to insider information while performing their professional duties shall not buy or sell Company securities or otherwise gain material benefit based on insider information.

The persons referred to in paragraph (1) of this article, except in cases determined by law, shall not disclose insider information to third parties or, give insider information-based advice to third parties to buy or sell securities of the Company to which the insider information refers.

A legal or natural person who knowingly receives insider information referred to in paragraph (1) of this article, shall not buy or sell Company securities or otherwise acquire property benefit based on the insider information.

The provisions of this article shall not apply to trade transactions intended to meet contractual obligations for purchase or sale of Company securities, resulting from an agreement concluded before the legal or natural person possessed the insider information.

Persons referred to in paragraph (1) of this article who have access to insider information shall notify the Company, the Securities and Exchange Commission, and any stock exchange listing the securities if they find out that a legal or natural person buys or sells Company securities based on insider information.

5. Legal Relations Between the Company and its Shareholders

Article 27

Shareholders owning shares of the same type and class under equal conditions shall enjoy equal status and treatment in the Company.

Any contract concluded, or other legal matter undertaken by any shareholder which infringes the rights and interests of other shareholders shall be null and void unless all shareholders consent to that contract or legal matter.

With this Statute or its internal acts, the Company shall recognise and observe all shareholder rights guaranteed by law and shall establish effective mechanisms for the protection of shareholder rights.

The Company shall undertake to allow shareholders to exercise their rights efficiently, without causing unnecessary complications or costs in the exercise of shareholder rights, observing the legal provisions, this Statute, or other Company internal acts.

The Company website shall provide a special section containing information describing the rights pertaining to each type and class of shares.

Article 28

The Company shareholders shall be jointly and severally liable for the Company's liabilities, if:

- 1) they have abused the Company's status as a legal person to pursue objectives prohibited to them as individuals;
- 2) have abused the Company's status as a legal person to harm their creditors;
- 3) contrary to the law, have used the Company's assets as if they were their own, or
- 4) for their own benefit or the benefit of another person have decreased the Company's assets, when they were aware, or should have been aware, that the company was incapable of settling its liabilities to third parties.

Article 29

Any foreign person may be a Company shareholder.

Foreign persons may acquire Company shares in the same manner and under the same conditions prescribed for the citizens of the Republic of North Macedonia and the legal persons registered in the trade register of the Republic of North

Macedonia unless otherwise provided by law.

Article 30

Shareholders shall be entitled to participate in the Company's profit unless the profit is not to be distributed among the shareholders pursuant to a resolution of the Shareholders Assembly on the use of the profit.

The shareholders' participation in the profit shall be in proportion to the nominal value of shares.

The dividend allocated to each share type or class shall be paid out proportionally to the owners of the respective share type or class. If contributions in share capital are not paid in full or all shares are not paid in an equal ratio, shareholders who comply with their obligations in time shall take part in the distribution of profits in proportion to the paid portion of the shares. Payments made during the business year shall be considered according to the time of payment.

By resolution, the Shareholders Assembly may decide not to distribute the profit to the shareholders, or the shareholders owning a certain type of shares, and to decide that the profit be used differently.

Article 31

The co-owners of shares shall exercise their rights through a joint agent.

Legal actions taken by the Company against the co-owners shall be taken against the joint agent if registered. If a joint agent is not registered, the Company may take legal action, or express its will, against any co-owner, which shall be considered as legal action taken against all.

The agent must be registered in the shareholder register in the Central Securities Depository.

All co-owners shall be liable for the liabilities arising from the shares as joint debtors.

Treasury Shares

Article 32

The Company shall not subscribe treasury shares.

Anyone who has acquired shares on behalf of the Company may not claim to not have taken them on their own behalf. The person acquiring the shares on behalf of the Company shall not be entitled to any rights to shares until they acquire the shares in their own name.

If shares are subscribed contrary to paragraph 2 of this article, the Management Board members shall be obliged to pay for those shares personally if they failed to act with due care and diligence.

Article 33

The Company may acquire treasury shares by share buyback, either itself or through a person acting in its own name, but on Company's behalf. The buyback of treasury shares shall be valid under the following conditions:

1. If the Shareholders Assembly passes a resolution to acquire treasury shares by share buyback defining the manner of share buyback, the maximum number of shares to be acquired, the time when the buyback should be made, which may not be longer than 1 year from the day of passing of the resolution to acquire treasury shares, the minimum and maximum value that may be paid for them;
2. The nominal value of the acquired shares, including the shares previously acquired, or held by the Company, shall not exceed one-tenth of the share capital;
3. The acquisition of treasury shares shall not decrease the Company's assets below the amount of share capital and reserves, which under the law and the Statute the Company must maintain and which shall not be used for payment to shareholders; and
4. Only shares fully paid may be acquired by share buyback.

By exception, the Company may acquire treasury shares contrary to the terms specified in paragraph 1, item 1 of this article, when the acquisition of treasury shares is necessary to prevent serious and immediate damage that would be incurred

by the Company. The decision shall be passed by the Management Board, upon prior consent of the Supervisory Board.

In such a case, at the next Shareholders Assembly Meeting, the Management Board shall inform the Shareholders Assembly of the reasons and purpose of the acquisition of treasury shares, the number and nominal value of acquired shares, the proportion of share capital represented by the acquired shares, the price at which they were acquired, and the source of funds used for their acquisition.

The provision referred to in paragraph 1, item 1 of this article shall not apply to the treasury shares acquired either by the Company itself or by a person acting in their own name, but on Company's behalf, to be distributed to the Company employees or employees of companies related to it.

Article 34

When the Company acquires treasury shares proportionally from all shareholders, it shall, under the resolution to acquire treasury shares, send a public notice to all shareholders, containing an offer for the acquisition of shares. The notice shall state the number of shares the Company intends to acquire, the type and class of shares, the proportional number of shares each shareholder may offer for sale in relation to the number of shares they hold, the purchase price, or the method of the purchase price calculation, the payment procedure, and payment date, and the procedure and the deadline by which all shareholders should offer their shares for sale to the Company. The public call shall remain valid for at least 30 days from the day of publication.

If the total number of shares shareholders offer to sell to the Company exceeds the number of shares the Company may acquire under this Statute and the law, the Company shall purchase shares from each shareholder in proportion to the number each shareholder offered, in relation to the number of shares held.

Article 35

Shares acquired contrary to Articles 33 and 34 of this Statute shall be disposed of within 1 year from the date of acquisition. If the shares are not disposed of within the prescribed period, they shall be retired without delay.

In the annual performance report, as provided by law, the company shall report the treasury shares acquired during the year. The rights from treasury shares shall be suspended.

Article 36

At the Management Board's proposal, the Shareholders Assembly may pass a resolution to issue redeemable shares containing the Company's right to repurchase such shares within a specified period.

The redemption shall be valid under the following conditions:

1. The Shareholders Assembly shall pass a Resolution to repurchase such shares before they are subscribed;
2. The shares shall be paid in full;
3. The redemption shall only be executed with funds exceeding the share capital and the reserves that, under the law and this Statute, may not be distributed to the shareholders;
4. An amount not less than the nominal value of the issued shares shall be set aside into a Company's reserves, which may not be distributed except in case of a decrease of the share capital.

The Company must redeem the issued shares referred to in paragraph 1 of this article within a period not exceeding one year from the date of issuance.

A notification for the redemption of the shares referred to in paragraph 1 of this article shall be published in the Official Gazette of the Republic of North Macedonia.

Article 37

The legal matter by which the Company provides someone with an advance payment, loan, credit, or collateral to acquire shares in the Company shall be null and void. This shall not apply to the acquisition of treasury shares to be distributed to the employees under the conditions provided by law.

Legal matters shall also be null and void when the Company acquires treasury shares from the reserves necessary to

maintain the nominal value of the share capital or the reserves which under the law and this Statute could not have been used for other purposes.

Acquisition of treasury shares, on any grounds, shall be null and void if the nominal value at which shares were issued has not been paid in full.

6. Shareholders Assembly

General Provisions

Article 38

Besides the rights and authority each shareholder can exercise in another manner, as provided by the law and this Statute, shareholders shall exercise their rights in the Company at the Shareholders Assembly.

From the day of registration, each shareholder registered in the shareholder register shall be entitled to participate in the proceeding of the Shareholders Assembly and vote.

Management and Supervisory Board members shall participate at the Shareholders Assembly without the right to vote unless they are shareholders.

Article 39

With this Statute and its other internal acts, the Company shall recognise and observe all rights of the shareholders guaranteed by law and shall establish effective mechanisms for protecting shareholder rights.

All shareholders who own shares of the same type and class shall be treated equally, as provided by the applicable regulations and the Company Statute.

Article 40

The Shareholders Assembly shall only decide upon issues explicitly prescribed by law and this Statute, specifically on:

- 1) amendment of the Company Statute;
- 2) approval of the Company annual account, financial statements and annual performance report for the preceding business year and distribution of the profits;
- 3) election and dismissal of Supervisory Board members;
- 4) approval of the performance and management of the Company's business by the Management and Supervisory Board members;
- 5) change of the rights attached to particular types and classes of shares;
- 6) increase and decrease of the Company's share capital;
- 7) issuance of shares and other securities;
- 8) appointment of an authorized auditor to audit the Company's annual account and financial statements;
- 9) transformation of the Company into another form and reorganisation of the Company; and
- 10) termination of the Company;

The Shareholders Assembly shall not decide on matters related to the governance, or the management of the Company's business, which is under the competence of the Management Board unless otherwise provided by law.

Article 41

The Shareholders Assembly shall elect a Chair who shall preside over the meeting, a minute taker, and two shareholders - certifiers of minutes, except when a notary public takes the minutes.

The Assembly shall also elect at least three vote counters, a Committee to conduct a secret ballot if ballot at the meeting is to be secret as required by law or this Statute, and other persons if necessary to perform other activities for unobstructed

proceeding of the Assembly.

If the Assembly is to decide to amend data registered in the trade register, a notary public shall take the minutes.

Article 42

Each shareholder shall be entitled to participate and vote at the Shareholders Assembly, in person or via a proxy. The company shall not set any further requirements and conditions for participation and voting at the Assembly, except those provided by law.

The company shall take all reasonable measures to ensure all shareholders are treated equally in the procedures related to the Assembly. The procedures shall not cause undue complications or costs in exercising the Shareholders' right to vote.

Annual Shareholders Assembly

Article 43

The Management Board shall convene an Annual Shareholders Assembly not later than 3 (three) months after preparation of the annual account, the financial statements, and the Company Annual Performance Report for the preceding business year, but not later than 6 (six) months from the end of the calendar year, or 14 (fourteen) months from the last Annual Shareholders Assembly.

If the Management Board fails to convene an Annual Shareholders Assembly in time, the Supervisory Board shall convene the Assembly without delay.

If the Supervisory Board fails to convene an Annual Shareholders Assembly or if not held within the deadline specified in paragraph 1 of this article, for any other reason, the court may issue a decision to convene an Annual Shareholders Assembly upon a proposal of any shareholder.

Article 44

The Annual Shareholders Assembly shall:

- 1) review and adopt the Company's annual account, financial statements, and annual performance report for the preceding business year;
- 2) decide on the use of net profit or covering the loss;
- 3) approve the performance of the Management and Supervisory Board members;

The Annual Assembly shall decide on the approval of the performance and the management of the Company's business by the Management and Supervisory Board members. At the approval of the performance of the Management and Supervisory Board members, each member shall be voted individually.

The discussion and approval of the performance of Management and Supervisory Board members shall be related to the discussion referred to in paragraph 1, item 1 of this article.

Article 45

In the Company Annual Performance Report for the preceding business year, the Management Board shall be obliged to objectively present and explain the main factors and circumstances affecting the performance, including changes in the environment where the Company operates, the response of the company to such changes and their impact, the investment policy to maintain and support the Company's successful performance, including the dividend policies, the Company sources of assets, the long-term debt-to-share capital policy, the risk management policy, major transactions and interested party transactions, including data on the value of transactions pertaining to the interested party transactions and the manner and procedure for approval of the interested party transactions, name, surname and address of the interested party if natural person, or name and registered office if legal person, and the value of the Company's assets not reflected in the balance sheet under the International Financial Reporting Standards, future development prospects for the Company and its business ventures, research and development activities, and information on acquisition of treasury shares or parts, depending on the relevant circumstances.

Article 46

In the period between two Annual Shareholders Assemblies, the Company may convene a Shareholders Assembly when it is in the Company's interest.

The Management Board and the Supervisory Board, by a majority vote of their members, may pass a decision to convene an Assembly upon their own initiative or at the request of a shareholder, when provided by law.

Shareholders who hold at least one-tenth of all voting shares may submit a request to convene an Assembly. The written request must state: the purpose and reasons for convening the Assembly, name, and surname of the petitioner, place of residence and personal identification number, or business name, registered office, and company identification number if the shareholder is a legal person. The request shall be accompanied by an excerpt from the shareholder register issued by the Central Securities Depository, stating the number of voting shares they hold in the Company.

The request, signed by the shareholders, shall be submitted to the Management Board.

Within 8 (eight) days from the day of receipt of the request, the Management Board shall pass a decision to accept or reject the request. A decision to reject the request shall state the reasons for the rejection.

If following the request of shareholders owning a majority of the voting shares, the Management Board or the Supervisory Board fails to convene an Assembly, within 24 hours of the day of submission of the request, the shareholders may file a proposal to the court to convene an Assembly.

Article 47

The Shareholders Assembly shall be convened by publishing a public notice to shareholders.

The public notice for convening an Assembly shall be published on half a page in at least one daily newspaper circulated on the entire territory of the Republic of North Macedonia, on the landing page of the official Company website, and shall be submitted for publication on the website of the stock exchange.

The period from the day of publication of the public notice to the day of the meeting of the Assembly, shall not be shorter than 30 (thirty) days.

The Company shall hold the Assembly at a time and place allowing for minimum costs and difficulties to which shareholders would be subjected to participate at the meeting.

The Assembly may decide to convene a meeting which is not a regular annual meeting in one of the ways provided by law, not later than on the fourteenth day before the day of the Assembly meeting, if the Company has established or uses an electronic system that allows each shareholder to vote electronically. The Assembly shall pass a resolution to convene an Assembly meeting by a majority vote which may not be lower than two-thirds of the voting shares represented by the attending shareholders or their proxies and its validity may not be longer than by the next Annual Shareholders Assembly of the Company.

If the Assembly convened in the manner referred to in paragraph 5 of this article does not meet for the lack of quorum, not later than 15 (fifteen) days from the day when a properly convened Assembly was to meet, a new date for the Assembly shall be set (postponed Assembly). The convening of the postponed Assembly and any subsequent convening may be within a period other than the deadline specified in paragraph 5 of this article, provided that no new items are added to the agenda and if at least 10 (ten) days have passed from the day of the last convening and the date when the Assembly was to meet.

Article 48

The public notice for convening the Shareholders Assembly shall contain the date, time, and place of the meeting, the proposed agenda, and a description of the procedures for shareholder participation and voting at the Assembly.

The public notice shall contain a description of the manner in which shareholders can introduce agenda items for the Assembly or propose resolutions with information about how they can do it after the publication of the notice, how they can put questions to the Company about the agenda items, and information on the deadline within which they can do so. By exception, if the public notice lists the official Company website indicating that it contains detailed information on how shareholders can propose agenda items, ask questions, and propose resolutions, the public notice may contain only the deadlines by which agenda items can be proposed, questions asked, or resolutions proposed.

The public notice shall contain a description of the procedure for proxy voting, how proxy forms are to be made available to shareholders if any, information on how the Company is prepared to receive shareholder notifications about proxies given, and a description of the procedure for voting by correspondence when the Company allows such voting.

The public notice for convening an Assembly should state the address of the official Company website where the information provided by law is to be made available.

Article 49

During the legally prescribed period, the Company shall publish at least the following information on its website:

- 1) the content of the public notice for convening a Shareholders Assembly;
- 2) the total number of shares and the total number of voting rights arising from voting shares on the day of publication of the public notice, including the total number of shares of each type and class;
- 3) documents and materials to be considered at the Assembly;
- 4) proposed resolutions for adoption or, in the absence thereof, opinions of the authorised Company body on each item of the proposed agenda for the Assembly;
- 5) shareholder proposed resolutions that the Company shall publish immediately upon their receipt; and
- 6) proxy forms and vote-by-correspondence forms ready for download by shareholders. In case the Company fails to make the forms available to the shareholders for electronic download from its website, on the same page the Company shall announce how forms can be obtained in hard copy and at its own expense, and upon request of a shareholder shall submit the forms.
- 7) address for sending of proxy forms, the deadline for submission of proxy forms, and notifications for given proxies.
- 8) Company e-mail address for communication with shareholders and exchange of information between the Company and shareholders.

Manner of Notification, Delivery, and Receipt of Materials and Other Information

Article 50

If notification, delivery of materials, and other information from the Company to the shareholders and from the shareholders to the Company takes place, it shall be done by registered mail, electronic mail, or daily newspaper.

Notification, delivery, and information from the Company to the shareholders shall be considered done if:

- sent by registered mail, to the place of residence reported by the shareholder to the Central Securities Depository;
- or
- sent to an e-mail address reported by the shareholder; or
- published in a daily newspaper.

Additionally, notification and delivery of materials and other information from the Company to the shareholders can be done through the Company website.

Notification, delivery, and informing from Company to shareholders shall be considered received:

- if it arrives at the shareholder's place of residence as registered in the shareholder register;
- if personally given to or received by the shareholder;
- if received electronically provided that dispatch and receipt may be confirmed, and
- on the day specified in the delivery certificate for the registered mail, including in cases of the registered mail sent, but not received and collected.

Notification, delivery, and informing from shareholders to Company shall be considered received:

- if it arrives at the Company's registered office;
- when personally received by a Company authorised person, or a Management Board member;
- if received electronically provided, that dispatch and receipt may be confirmed, and
- on the day specified in the delivery certificate for the registered mail handed or telegram sent, including when registered mail or telegram is sent, but not received and collected.

Agenda and Introduction of New Items on the Agenda

Article 51

The Shareholders Assembly may only deliberate on issues duly put on the agenda.

In its internal acts, the company may, besides the rights already regulated under the law and Statute, regulate the manner of proposing agenda items, asking questions, and proposing resolutions by shareholders, in accordance with the law. The Company shall publish these acts on its website.

The agenda items for the Assembly should be clearly defined and precisely formulated.

Information about the agenda items for the Shareholders Assembly shall be available on the Company website 21 (twenty-one) days before the Assembly and one year after its completion. This information shall also be submitted to the stock exchange for publication on their website.

The Assembly may also deliberate, without the right to decide, on issues not duly put on the agenda.

Each shareholder may, at any time, file an initiative to add items on the agenda of the Assembly to be convened.

Shareholders who individually or jointly hold at least 5% of the total number of voting shares may propose additions to the agenda in writing by requesting the introduction of new items if at the same time they enclose a reasoning or propose a resolution for the respective item. If the Management Board decides so, the Company may allow new agenda items to be proposed electronically by e-mail.

Shareholders who individually or jointly hold 5% of the total number of voting shares may propose resolutions for adoption in writing under any of the items included, or to be included on the agenda for the Assembly.

Request to add one or more items to the agenda for the convened Assembly and/or proposals for resolutions shall be sent to the Management Board, or the court-appointed convenor of the Assembly within 8 (eight) days from the day of publication of the public notice to convene the Assembly.

The request may not be rejected except in the following cases:

- the deadline for submitting requests has been missed;
- proposer does not possess a sufficient number of voting shares;
- the proposal fails to meet other conditions provided by law; and
- proposed items are outside of Assembly's competence or non-compliant with the law and Statute.

If a request is not included in the agenda, except in the cases envisaged under paragraph 10 of this article, the Assembly shall make the final decision when adopting the agenda.

The body convening the Assembly shall publish the request to add new items to the agenda for the convened Assembly within 8 days before the day of the Assembly.

If the exercise of the shareholder right under paragraphs 7 and 8 of this article entails a change of an already published agenda for the Assembly, the Company shall make the revised agenda available in the same manner as the previous agenda, before the day of the Assembly meeting.

Article 52

A shareholder who intends to participate at a convened Shareholders Assembly shall apply for participation not later than before the beginning of the meeting.

A list of registered shareholders shall be prepared by the Management Board and made available for inspection at the Company's registered address.

Before the start of the Assembly, the Management Board, or the person authorised to convene the Assembly, shall compare the list of registered shareholders with the status in the shareholder register obtained from the Central Securities Depository 48 (forty-eight) hours before the meeting.

Each shareholder or proxy shall verify their attendance at the Assembly by signing in the list. The list of registered and signed shareholders shall be certified by the chair and minute taker. The chair shall ascertain the quorum according to the certified list.

The certified list shall be made available for inspection to all Assembly participants before the first vote. Any verified participant may request a copy of the certified list at their own expense.

Right to Ask Questions

Article 53

Any shareholder shall be entitled to ask questions at the Shareholders Assembly on any of the agenda items, and the Company shall do its best to respond to them.

The right to ask questions and the obligation of the Company to respond shall depend upon a previous confirmation of the shareholder's identity, maintaining order in the meeting and proceeding of the Assembly, preserving confidentiality of operation, and the Company's business interests.

The Shareholders Assembly of the Company shall adopt Rules of Procedure which, inter alia, shall govern the manner, time, and the number of questions asked by the shareholders regarding the Assembly, and the manner and time of answering the questions by the Company.

During the Assembly, the Company shall allocate sufficient time for asking shareholder questions. The Company shall make an effort to ensure that the Supervisory and Management Board members, including their chairs and the authorised external auditor, are present at the Assembly to answer shareholder questions.

The Assembly shall be conducted in a manner allowing a reasonable time for questions to the Management Board, the Supervisory Board, and the authorised external auditor.

The chair may set a time limit to the right to speak or ask shareholder questions at the Assembly meeting.

Before the start and during the Assembly, the Chair shall be authorised to set time limits for the duration of the Assembly, discussion on specific agenda items, and individual discussions or questions.

To achieve the purpose of the Assembly, and to avoid undue delays, the Chair shall be entitled to end the discussion at the Assembly.

The Company may provide one summary answer to questions of the same or similar content.

Shareholder questions shall be considered as answered if answers are made available on the Company website in a question-and-answer format.

The passed resolutions and the answers to questions asked during or before the Assembly shall be published on the Company website and shall be available for a period of at least five years.

Shareholder Proxy at Shareholders Assembly

Article 54

Any Shareholder may give proxy to another natural or legal person to represent them at the Shareholders Assembly, to take part and vote on their behalf. A proxy shall enjoy the same rights as the shareholder giving the proxy, including to vote, ask for the floor, discuss, and ask questions at the Assembly.

Shareholders shall notify the Company in writing about the appointment of their proxy for the Assembly as soon as possible. Together with the notification, they shall submit to the Company an original copy of the proxy form. Otherwise, the proxy shall be considered as not given. The company may require to establish the identity of a shareholder before accepting a proxy or to verify the voting instructions if such were given to the proxy. The provisions of this paragraph shall equally apply to cancellations of a proxy in writing.

If a proxy form contains no voting restrictions or instructions, proxies may vote at their own discretion, always considering the interests of the shareholders granting the proxy.

A proxy for an Assembly shall be granted in writing.

A proxy may be authorised by one or more shareholders and the number of shareholders who can authorise the same

person as proxy shall not be limited.

If a proxy is authorised by several shareholders, they may act and vote for some shareholders differently than for others.

Proxies must keep a record of the voting instructions received, if any, and keep them for at least one year from the day of the Assembly in which they took part and voted. They shall also confirm they have followed those instructions if requested by the Company or the shareholder granting the proxy.

A proxy may be revoked unilaterally, without the shareholder or the proxy stating the reasons, by submitting a written notice to the other party. If a shareholder personally registers their attendance at the Assembly with all the shares they own and declare they will discuss, decide, and vote with all the shares they own, the proxy for that Assembly shall be considered as revoked and the shareholder can exercise their voting right personally and without restrictions.

Conflict of Interest of Proxy

Article 55

The company shall not restrict persons to be proxies at the Shareholders Assembly except when they are in a conflict of interest.

Conflict of interest shall exist when there is a risk that the person has an interest other than the interest of the shareholder authorising them as their proxy, and especially when the person is:

- 1) Management Board member or Supervisory Board member, including their immediate family members;
- 2) Company executive or member of their immediate family;
- 3) Management Board member or Supervisory Board member, employed or certified auditor in companies affiliated with, or dependent to the Company, including their immediate family members;
- 4) Legal representative or another authorised natural person of the Company or of another Company-owned legal person; and
- 5) Internal or external auditor of the Company.

In case of conflict of interests within the meaning referred to in paragraph 2 of this article, the person may not be a proxy.

By exception to paragraph 3 of this article, persons with a conflict of interest may be authorised as proxy at the Assembly, only if:

- 1) previously disclosed to the shareholders that they are in a conflict of interest, and
- 2) the shareholders authorising them as proxy have given them specific voting instructions in writing for each proposed resolution to be voted under the agenda items at the Assembly for which the proxy is given.

By exception to paragraph 3 of this article, legal persons may grant a proxy to a member of their management body or their employee, to take part and vote at the Assembly.

When anyone given a proxy by a shareholder is in a conflict of interest situation, anyone may notify the Company thereof. When informed about a conflict of interest, the Management Board or the Supervisory Board shall check that information and ask the person who has been reported to the Company as having a conflict of interest, to disclose all information on the possible existence of the conflict.

The Company shall publish on its website the proxies' identities and reasons for the conflict of interest without delay.

If anyone has taken actions as a proxy, being in a conflict of interest not previously disclosed to the authorising shareholders or the company, they shall be considered as not appointed as proxy.

Vote by Correspondence

Article 56

Shareholders may vote by correspondence before the day of the Shareholders Assembly.

Before the Company allows shareholders to vote by correspondence, it may ask them to confirm their identity by submitting personal identification documents in original or copy, as they choose, without having to notarise or certify them by a domestic or foreign competent authority.

On its website, the Company shall publish the vote-by-correspondence forms, description of the procedure, the identification documents needed, and the deadline for receipt of the vote-by-correspondence forms.

Electronic Participation of Shareholders at Shareholders Assembly

Article 57

The Company shall allow shareholders to take part at the Shareholders Assembly electronically, through:

- 1) live transmission of the Assembly;
- 2) two-way live audio and video communication, which shall allow shareholders to address the Assembly remotely from anywhere, and
- 3) electronic means for voting, before or during the Assembly, without having to authorise a proxy to attend physically.

If the Company allows shareholders to participate at the Assembly electronically in one of the above ways, it must set up a system for electronic shareholder registration and recording to identify them and maintain the security of the electronic connection during the shareholders' participation in one of the ways prescribed in paragraph 1 of this article and shall not require shareholders to submit documents notarized or certified by a domestic or foreign competent authority.

Article 58

The Company shall prescribe in an internal act and publish on its website a description of the procedure, the necessary shareholder identification documents, and the place where the documents for electronic registration and recording can be collected.

Article 59

The Shareholders Assembly may proceed if attended by verified participants who own a majority of the total number of voting shares.

The Assembly cannot start without a quorum.

In such a case, within not more than 15 (fifteen) days from the day of the scheduled Assembly, a new Assembly date shall be set (rescheduled Assembly), which shall be held within that deadline. The new date for the rescheduled Assembly shall be announced in the same manner as the Assembly which failed to have a quorum.

Participants shall not register again for the rescheduled Assembly. Before the start of a rescheduled Assembly, each attendee shall sign in a list, thereby verifying their attendance at the rescheduled Assembly. The Assembly Chair and minute taker shall verify the signed list by their signatures. After verifying the list, the Assembly Chair shall ascertain the attendance of registered shareholders or proxies or quorum for conducting the Assembly.

The rescheduled Assembly may only decide upon issues set out in the agenda for the first convening of the Assembly, regardless of the number of present shareholders and the number of shares they hold.

The rescheduled Assembly may not decide upon matters that, under the law, shall be decided by a majority larger than the majority of the quorum referred to in paragraph 1 of this article.

Article 60

At the Shareholders Assembly, resolutions shall be passed by a majority of the represented voting shares, unless the law and this Statute require a larger majority.

Article 61

The Shareholders Assembly meeting shall be presided by a chair.

The chair shall determine the order of proceedings and maintain the order at the meeting.

A chair shall be elected for each Assembly.

The term of office of the chair shall run until the election of a Chair for the next Assembly that is to be convened.

Any shareholder or proxy may be elected Chair.

Management or Supervisory Board members may not be elected Chair.

Article 62

To maintain order at the Shareholders Assembly, the Chair may warn shareholders and other participants, take the floor away and remove them from the meeting if they substantially disrupt the order and proceeding.

The Chair may remove a participant from the Assembly if they have been warned or taken the floor away and still continue to not observe the order, as well as a participant behaving indecently, insulting others and thus disabling the proceeding of the Assembly.

The measures imposed to maintain the order shall apply only to the meeting at which they were pronounced.

Article 63

If a Shareholders Assembly meeting that has already started is adjourned, the shareholders present may decide to continue the meeting on a date, time, and place decided by a majority vote of the quorum, but not later than 8 (eight) days from the day of adjournment.

If the Assembly fails to pass a decision for the meeting to continue, the chair shall determine the date, time, and place.

Shareholders shall not register again to participate in the continuation of the adjourned meeting, except for shareholders who were not registered for the adjourned meeting. Before the adjourned Assembly meeting continues, the attendance of shareholders present shall be verified, the list certified, and the quorum ascertained.

If there is no quorum at the continued meeting or if not held within the set deadline, a new Assembly shall be scheduled.

The resolutions passed at the adjourned Assembly, regardless of their continuation, shall be deemed valid. At the Assembly meeting that continues, the Assembly shall discuss and decide only upon matters not considered and decided upon.

Article 64

Shareholders shall exercise their voting right at the Shareholders Assembly according to the number of shares.

Shareholders shall not lose their voting rights when pledging their shares.

The voting right attached to shares owned by a minor or by another legally incapacitated person shall be exercised by their legal representative, or guardian, in person or by proxy, appointed by a written and notarised proxy statement.

The voting right attached to shares owned by a deceased person, until probate has been completed, shall be exercised by a joint representative appointed by the heirs of the deceased, appointed by a written and notarised proxy statement.

Article 65

At the Shareholders Assembly, a shareholder may not vote, personally or through a proxy, on a resolution exempting them personally from liability, claim, and obligation the Company has against them or which grants them certain advantages and/or privileges by the Company, or in a vote to initiate court or other proceedings against them.

If a shareholder acts contrary to paragraph 1 of this article, they shall be liable for damages that the Company would suffer, unless they prove that a majority would have been reached even without their vote.

Article 66

The Shareholders Assembly shall decide by public ballot.

If requested by one or more shareholders holding at least one-tenth of the total number of voting shares, the Assembly shall hold a secret ballot.

The company shall determine the voting results only insofar as to show that the required majority for each resolution has been reached.

If a shareholder contests a vote or requests a full account for the voting results, for each resolution voted at the Assembly the Company shall determine the total number of shares for which valid votes were cast, the total number of valid votes, and the part of the share capital they represent, and the number of votes FOR, AGAINST, and ABSTAIN for each voted resolution.

The Company shall publish the voting results on its website within 15 days from the day of the Assembly, in the manner outlined in paragraph 4 of this article.

The Assembly resolutions shall take effect on the day of passing, except when a resolution contains a different date of effect.

Article 67

A secret ballot shall be conducted by a Committee for conducting a secret ballot elected by a Shareholders Assembly resolution consisting of 3 (three) shareholders. A shareholder or any other person who is a Management Board or Supervisory Board member, or Chair of the Assembly at which a secret ballot takes place shall not be elected to the Committee. The Committee for conducting the secret ballot shall work impartially and fairly.

The Committee shall determine the content, make copies, and numerate the ballot cards, count the votes and submit a written report on the secret ballot. The secret ballot report shall be signed by all Committee members.

The ballot card shall state the names and surnames of all candidates being elected by secret ballot.

When voting by secret ballot, ballot cards shall contain the matters to be voted, an option to vote FOR, AGAINST, or ABSTAIN for each matter or group of matters or another clear option, and an explanation of the manner in which the secret ballot is conducted.

Ballot cards, used and unused, the ballot report, and other voting material shall be kept in the same manner as the assembly minutes.

Article 68

Shareholders Assembly resolutions unfavourably altering a right attached to a certain type of shares shall be valid only if shareholders representing the respective share type previously give their consent by a two-thirds majority vote.

The separate resolutions of the shareholders of a certain class shall be passed either in a separate meeting of these shareholders or at the same Assembly with the other shareholders but in a separate vote unless otherwise provided by law. The provisions of the law governing the decision-making at the Assembly shall apply to the convening of the separate meeting, the participation therein, and the adoption of the separate resolutions. The separate Assembly may be convened or a separate vote requested by shareholders who own at least one-tenth of the total number of shares that may participate in the vote to pass a decision for consent.

Article 69

At the Shareholders Assembly, any shareholder may request to be informed about the state of affairs in the Company and its relations with other companies if such information is related to the items on the Assembly agenda.

A shareholder who is denied the information may request in writing that their question, request, and the reasons for the denial be entered in the minutes.

A shareholder who has been denied the information may seek court protection of their right to be informed. The proposal shall be filed within 15 (fifteen) days from the day of the Assembly.

Article 70

Minutes shall be taken at the Shareholders Assembly proceeding, containing data on:

- 1) Company's business name and registered office;
- 2) date, time, and place of the Shareholders Assembly;
- 3) names of the Assembly Chair, minute taker, vote counters, and voting committee members, if any;

- 4) Assembly agenda;
- 5) number of attending shareholders, or proxies and required quorum;
- 6) discussions at the Assembly;
- 7) important events at the Assembly and proposed resolutions;
- 8) resolutions, number of votes FOR and AGAINST, and the number of abstaining votes; and
- 9) reservations or objections to any resolution by shareholders, Management, or Supervisory Board members, if any.

A member of the Management Board and the Supervisory Board or the Assembly chair may not be elected minute taker and minute certifier.

The minutes shall be prepared at the latest within 8 (eight) days from the day of the Assembly and signed by the minute taker and the Assembly Chair and verified by the minute verifiers.

Each shareholder may, at their own expense, request from the Management Board to issue a copy of the Assembly minutes.

When a notary public takes minutes, the minutes shall be prepared at the latest within 3 (three) days from the day of the Assembly and shall be signed by the notary and the Assembly Chair. The notary public taking the minutes shall be the one issuing copies of the minutes. The minutes and annexes shall be kept for at least 10 (ten) years.

Article 71

The Company may publish some of the information related to the Shareholders Assembly in English.

7. Management System (Common Provisions)

Common Provisions

Article 72

The Company management shall be organised in a two-tier system. The Company shall have a Management Board and a Supervisory Board.

Article 73

Only a natural person having legal capacity may be elected Management Board or Supervisory Board member.

Management or Supervisory Board member may not be a person sentenced or subjected to a misdemeanour sanction of prohibition to perform a duty in a certain occupation, which is partially or fully included in the scope of the Company's business, as long as such prohibition is in force.

Article 74

The Supervisory Board members shall be elected by the Shareholders Assembly by a majority of the voting shares.

Before the election of Supervisory Board members, the following information shall be published in writing for each candidate: age, gender, educational and other professional qualifications, working experience and how it was gained, companies in which they are, or were management or supervisory board members, and other important positions they held, number of shares they hold in the Company or in other companies, loans and other liabilities they have towards the Company, and the minimum number of days in the calendar year they are expected to be available to perform their duties if elected as Supervisory Board members.

The proposer of the candidate shall provide to the Company the information referred to in paragraph 2 of this article. If the above information is not provided in the prescribed form, the Management Board shall be entitled to reject the proposed candidate for Supervisory Board member.

The Supervisory Board shall confirm that the candidate meets the requirements provided by law, other applicable regulations,

the Company Statute and internal acts and whether the candidate fits into the Supervisory Board profile.

The data referred to in paragraph 2 of this article shall be provided to the shareholders not later than seven days before the election by the Shareholders Assembly. The data shall be available to all shareholders.

The resolution of the Shareholders Assembly for the election of a Supervisory Board or its member shall take effect on the day of its passing.

The application for registration in the trade register shall be submitted by a person appointed by a resolution of the Shareholders Assembly.

Article 75

The term of office of the Supervisory Board members shall be four years, or until the expiration of the term of office for which they were elected.

Management Board members shall be elected for a period of six years, or until the expiration of the term of office for which they were elected.

Management or Supervisory Board members may be re-elected, regardless of the number of terms they have previously served unless otherwise provided by this Statute.

When the office of a Management or Supervisory Board member terminates for any reason before the expiration of the term, a new member shall be elected to replace them under the provisions of this Statute, whose term of office shall last until the expiration of the term for which their predecessor was elected.

When the office of a Management or Supervisory Board member terminates, for any reason, before the expiration of the term for all members at the same time, the newly elected members shall have the term of office provided by this Statute.

Article 76

A Supervisory Board member cannot be elected non-executive member in more than five boards of directors at the same time, or in more than five supervisory boards of companies having registered office in the Republic of North Macedonia.

A Management Board member may not be elected executive member of a board of directors or management board member in other companies having registered office in the Republic of North Macedonia, except in banks, insurance companies, and other companies, if so provided by law.

A Management Board member may be elected non-executive member of a board of directors or supervisory board member, in a maximum of five other companies having registered office in the Republic of North Macedonia.

Article 77

If certain members of the Supervisory Board cease to perform their functions during their term of office or are prevented from doing so, the other members of the Supervisory Board shall continue to work until the vacancy is filled.

If the number of members decreases, the remaining Supervisory Board members must convene a Shareholders Assembly within 3 (three) days to fill the vacancy on the Supervisory Board. If the Assembly is not convened within this deadline, the Management Board shall convene the Assembly, within 3 (three) days from the previous deadline.

If the remaining Supervisory or Management Board members fail to convene the Assembly within the specified deadline, anyone with a legal interest may file a proposal to request the court to appoint a natural person to convene the Assembly.

Article 78

The Management or Supervisory Board members and the members of their families (spouses, parents, and children) without the approval of the Supervisory Board may not:

1. perform activities that fall within the Company's scope of business for their own or someone else's account;
2. perform another business or activity in another company, with the same or similar scope of business, paid or unpaid, for their own or someone else's account;
3. be members of a management body or supervisory board, or a controller in another company with the same or

- similar scope of business as the Company;
4. do business on Company premises for their own or someone else's account.

The Management or Supervisory Board members may not:

1. request, accept, or approve gifts of material value or donations from the Company for themselves or their family members;
2. enable third parties to benefit to the detriment of the Company.
3. abuse business opportunities belonging to the Company for their own personal interest or the interest of their family members;
4. earn other types of personal income from the operation of the Company, except the rights arising from their agreement, concluded with the Company and/or the companies affiliated by capital with the Company, the compensation they receive as Supervisory and Management Board members, and the income from any shares they may hold in the Company;

Before election as Management Board members, candidates shall notify the Supervisory Board in writing of all their businesses and activities in other companies, paid or unpaid, which they perform on their or anyone else's account.

Before election as Supervisory Board members, candidates shall notify the Supervisory Board in writing of all their businesses and activities in other companies, paid or unpaid, which they perform on their or anyone else's account

The Shareholders Assembly must be notified at the first next meeting about the given approval from paragraph 1 of this article.

If a Management or Supervisory Board member acts contrary to the prohibitions under paragraph 1 and paragraph 2 of this article or fails to disclose a relevant fact in the notification under paragraph 3 and paragraph 4 of this article, the Company may:

- request compensation for damages; or
- request to surrender the legal matter for the Company benefit and to give the Company the benefit deriving from the legal matter concluded for its own or anyone else's account.

If the Management or Supervisory Board member fails to act according to the previous paragraph, the remaining Management or Supervisory Board members, or any shareholder, may file a lawsuit to fulfil the claims set out in paragraph 6 of this article.

The right to exercise the claims from paragraph 6 of this article shall expire 90 (ninety) days from the day of discovery.

Article 79

Management or Supervisory Board members must act as prescribed by Articles 183, 184, and 185 of this Statute for any Company contract or other business activity in which they have an interest, even if indirectly.

Any Management or Supervisory Board member having an interest shall declare it immediately.

If a member or interested member of the Management Board or the Supervisory Board learns that any of the conditions from paragraph 1 of this article are met, they shall immediately notify the Supervisory Board. The interested member shall be entitled to be heard, but may not participate in the debate or decision-making for granting a decision to approve a transaction with an interested party.

If the Supervisory Board or the Shareholders Assembly fail to grant an approval, or the decision granting the approval was illegal, claims to third parties cannot be made, unless the Company proves that the third party was aware of the non-existence of approval or the illegality of the decision, or given all the circumstances, must have been aware thereof.

All matters related to the prevention and management of conflicts of interest shall be governed in more detail by a Company's internal act.

Article 80

The Supervisory and Management Board members shall immediately inform the president of their board if they, directly or indirectly or on behalf of third parties, have a significant interest in any transaction, contract, or business activity that directly affects the Company's interests.

Article 81

If a Supervisory Board member suspects a potential conflict of interest, they shall not participate in the part of the Supervisory Board meeting where a contract or any other legal matter that may directly or indirectly refer to that member is discussed and/or decided.

Article 82

The rights and obligations of the Management Board members, besides the rights and obligations provided by law, shall be defined by an Agreement governing the relations between the Company and the Management Board member.

The Supervisory Board shall conclude the agreement on behalf of the Company, and the President of the Supervisory Board shall sign it.

Article 83

All members of the Management Board and the Supervisory Board shall have equal rights and obligations, regardless of how they are distributed among them within the body.

They shall work jointly in line with the authorisations provided by law and the tasks entrusted to them under the law and this Statute.

The Supervisory and Management Board members shall act in the best interest of the Company and all shareholders.

The Management Board and the Supervisory Board shall act and decide as provided by law, the Statute, the Rules of Procedure, and other internal acts.

The Company's internal acts shall clearly define the powers and responsibilities of the Management Board and Supervisory Board, as provided by law, and the structure, systems, and management processes on which the two boards base their cooperation.

Article 84

The Management Board members shall submit a written Company performance report to the Supervisory Board at least once in three months, and shall submit an annual account, annual financial report and an annual Company performance report after the end of the business year.

At the request of the Supervisory Board, the Management Board members shall compile a special report on the state of affairs in the Company or on any issue from its operation.

The Supervisory Board members may take actions, alone or through other persons, to inspect the performance of the Company and its management by the Management Board members. At the request of at least one Supervisory Board member, Management Board members shall prepare all documents and notifications necessary to supervise its work.

Each Supervisory Board member shall be entitled to inspect all reports, acts, and documents that the Management Board members submit to the Supervisory Board.

All materials required for a Supervisory Board meeting shall be submitted to all Supervisory Board members, at least five days before the meeting, except in exceptional situations when, because of the urgency of the issues to be considered, materials can be submitted sooner.

Article 85

The Management Board and the Supervisory Board may work and decide if at least half of all their members attend the meeting.

The Management Board and the Supervisory Board shall pass decisions by a majority vote of the attending members.

The Management Board and the Supervisory Board may pass conclusions and decisions without holding a meeting. In such a case, the majority shall be counted from the total number of members.

In a split vote, the vote of the President of the Management Board or the Supervisory Board, and in their absence the vote

of the Chair, authorised by the President to replace them, shall be decisive.

The decisions passed by the Management Board and the Supervisory Board shall take effect on the day of passing unless otherwise provided by the Decision or by law.

Article 86

The Management Board or the Supervisory Board shall meet when required to perform the activities within their competence, upon a written request of any member stating the purpose and reason for the meeting, supported by at least one-third of the Management or Supervisory Board members.

Meetings shall be convened by notifying all the Management or Supervisory Board members, stating the reasons, time, and place of the meeting.

In case of emergency, notification can be done through telecommunication or electronic means of communication.

Article 87

The Management or Supervisory Board members may participate and decide at a meeting organised by conference call, internet, or other audio-visual communication equipment, whereby all participants in such meeting can be heard or seen, and talk to each other. Attendance at such meetings shall be considered as in-person participation of the persons attending the meeting.

The participation in the meeting shall be recorded in the minutes of the Management Board, or the Supervisory Board, which shall be signed by all members attending the meeting organised in the manner referred to in the previous paragraph.

Article 88

The Management Board or the Supervisory Board may decide without holding a meeting if all members of the body give their consent for the decision to be passed without a meeting.

All decisions made in such manner shall be recorded in the minutes signed by the President of the Management Board or the Supervisory Board no later than 30 (thirty) days from the date of consenting to the decisions.

Decisions passed in such a manner shall take effect on the day of the consent of all members of the body, unless the decision provides another moment of taking effect. Giving consent can be done by signing the draft decision, or with a signature sent by fax or electronically.

Article 89

The Management Board or the Supervisory Board may form one or more Committees, from among its members and other persons.

The committees shall neither decide on issues within the competence of the Management Board or the Supervisory Board nor shall their rights and obligations be transferable.

All Committee activities shall be subject to approval by the Management Board or the Supervisory Board.

By exception, the Chief Executive Officer may also authorise the establishment of committees. The Chief Executive Officer shall appoint the members of such Committees.

Each Committee shall adopt its Rules of Procedure governing its mandate, conduct of meetings, manner of voting, and decision-making, and other details of the Committee's work.

Article 90

The Supervisory Board may oversee the Company's risk management and internal control, financial reporting, and performance of the external auditor.

Article 91

The Supervisory Board may oversee the election and appointment of Supervisory Board members and supervise the remuneration of the Management Board members.

Article 92

The Supervisory Board shall identify the knowledge, experience, and skills needed by the Management Board as a whole, and the personal qualities expected of each individual Management Board member. These criteria and qualities shall be considered when electing new Management Board members.

Article 93

The Supervisory Board shall re-examine the size, composition, and functioning of the Management Board at least once a year to assess its effectiveness and the need to propose appropriate changes.

Article 94

The Supervisory Board shall ensure that Management Board members can devote sufficient time to their duties. If the Management Board members are also members of governing bodies of other companies, this information must be published in the annual report.

Article 95

The Management Board or the Supervisory Board and the committees shall prepare minutes from their meetings, regardless of how the meetings were held, which must be prepared within 3 (three) days from the day of the meeting.

The minutes shall contain the following data: the manner in which the Management Board or the Supervisory Board worked; the time and place of the meeting; the persons attending the meeting; the meeting agenda; the issues voted and the results of each vote, including the names of members who voted FOR or AGAINST the decisions passed at the meeting. Upon request of the member who voted FOR or AGAINST, the minutes may include the reason for voting that way. If a member is in a conflict of interest, they shall be obliged to notify thereof at the beginning of the session and it shall be recorded in the minutes.

All Management or Supervisory Board members attending the meeting, and the president, or the member chairing by president's authorisation, shall sign the minutes.

Article 96

Each Management or Supervisory Board member shall exercise the granted powers in the Company's interest and all shareholders with due care and diligence, and may not transfer their powers to another member.

Members shall be obliged to keep all confidential notifications and data that are related in any way to the operations of the company, as a trade secret.

The obligation to keep a trade secret shall continue even after the end of the term of the Management Board or the Supervisory Board or their members, as prescribed with the duties specified in the contract governing the relations between the member and the Company, or otherwise.

When performing their duties, the Management or Supervisory Board members may use information, opinions, or reports of independent legal advisors, accountants, certified auditors, and other persons, reliable and competent in the work they do, but shall not be considered exempt of their obligation to act with due care and diligence.

Restrictions of the representation authority of the Management Board members shall have no legal effect against third parties, even if the restrictions were disclosed.

Article 97

The Shareholders Assembly may dismiss each or all Supervisory Board members before the expiry of the term for which

they were elected.

The decision for dismissal shall be passed by a majority of the voting shares represented at the Assembly.

If the Assembly passes a resolution to dismiss each or all members of the Supervisory Board, at the same meeting it shall elect new members, if the Assembly so decides and if the information on the candidates for election has been submitted in writing.

The Supervisory Board may, at any time, with or without explanation, dismiss each or all Management Board members. At the same meeting, the Supervisory Board shall elect a new Management Board member or members replacing those dismissed. The decision for dismissal shall take effect on the day of its passing.

If the Assembly fails to approve the performance of the Management Board or Supervisory Board or any of the members thereof, the term of each or all Management or Supervisory Board members whose performance has not been approved by the Assembly shall terminate.

In the case of paragraph 5 of this article, the Assembly shall elect each or all Supervisory Board members, replacing those whose performance was not approved by the Assembly.

By exception from paragraph 6 of this article, the Assembly may decide that the Management or Supervisory Board members whose performance has not been approved, may continue performing the urgent work in the Company until all members of these bodies are elected. The Supervisory Board members shall be elected at a continuation of the meeting held after not less than 8 (eight) but not more than 15 (fifteen) days from the day of announcement of the date for continuation of the Assembly. The day on which the meeting is to continue shall be published in a daily newspaper.

If the Assembly dismisses more than one Supervisory Board member, there shall be a vote for dismissal of all Supervisory Board members. Supervisory Board members shall be considered dismissed if the shareholders voted for the dismissal by a majority of the voting shares represented at the Assembly. The new members shall be elected by cumulative voting.

The resolution of the Assembly to dismiss the Supervisory Board or its member shall take effect on the day of its passing.

The application for registration in the trade register of elected or dismissed members of the bodies shall be filed by the person appointed in the resolution for election or dismissal.

Article 98

A Management Board or the Supervisory Board member may resign at any time by filing a written notice to the electing body, except when the Company interests require otherwise.

The signature of the Management or Supervisory Board member on the resignation notice shall be certified by a notary public.

The acceptance of a submitted resignation shall not be decided upon.

If the Company interests so require, the Management Board or the Supervisory Board may oblige the resigning member to continue performing the function until the election of a new member, but not longer than 60 (sixty) days.

The member's term of office shall be deemed terminated on the day of filing of the resignation notice unless the notice contains another date.

Based on the resignation notice, an application to delete the data of the resigning Management or Supervisory Board member shall be submitted to the trade register.

Article 99

The Shareholders Assembly shall pass a resolution determining the monthly fee of the Supervisory Board members. The Supervisory Board members shall be entitled to reimbursement of expenses, to life and other types of insurance, and other rights related to the performance of their office.

The Supervisory Board shall submit a recommendation to the Shareholders Assembly on the amount of the monthly fee.

Supervisory Board members shall not receive any reward directly related to the Company's performance.

The Management Board members shall be entitled to a salary or monthly allowance, life and other types of insurance, reward, profit sharing which consists of a share in the annual Company profit (paid in cash, shares, royalties, bonus, or

else), reimbursement of travel and other expenses, and other rights.

The rights of the Management Board members shall be governed by an agreement governing the relations between the Company and the member, according to the type and scope of entrusted tasks, employment status, and their personal contribution to the Company's successful performance, in accordance with the Company internal acts.

The agreement shall define situations when the Company's financial situation shall be considered significantly deteriorated, making the member income a great burden for the Company. As a result, the Shareholders Assembly or the Supervisory Board may reduce the total income and other rights of the Management Board member. The reduction of income shall not affect the relations between the Management Board member and the Company or the member may terminate the agreement and resign as early as at the end of next quarter, with a thirty-day notice, unless the Assembly or the Supervisory Board accept a shorter deadline.

Up to 25% of the Company's annual profit may be allocated for payment of the profit-sharing of the Management Board members.

The approved share in the annual profit shall be calculated from the portion of the annual profit remaining after the reduction of the total losses carried forward from previous years and the allocations for legal and statutory reserves.

The funds paid to the Management or Supervisory Board members shall be operating costs of the Company.

Article 100

The rights and obligations arising from the employment status acquired by a Management Board member employed with the Company before the election shall be suspended. The suspension shall start from the day of the election.

For the duration of their term, the Management Board member, unless performing office without being employed, shall exercise their employment rights under the conditions set in the agreement governing the relationship between the Management Board member and the Company, as provided by law.

Paragraph 1 of this article shall apply accordingly to the persons appointed by the Management Board as persons with special powers and responsibilities (hereinafter: executives). Executives shall exercise the employment rights and obligations under the conditions set in the agreement governing the relationship between the Management Board and the executive. The contract shall govern: the salary, allowances, profit sharing, reimbursement of expenses, compensation for life and other types of insurance, and other employment rights. The type and amount of total income and the other rights and obligations arising from the employment of the executive shall be commensurate to the type and scope of entrusted tasks and responsibilities of the executive, and his personal contribution to the successful performance of the Company. The President shall sign the agreement on behalf of the Management Board.

The provisions of the collective agreements and the Employment Law on the establishment and termination of employment, disciplinary responsibility, salary, benefits, and protection of workers' rights shall not apply to the Management Board members and executives. These persons shall exercise their rights from these provisions of the Employment Law in a manner and under the conditions set in the agreement governing the relations with a Management Board member or executive.

Article 101

In a separate part of the annual performance report, the Company shall give a statement on the application of the Code of Corporate Governance of the Macedonian Stock Exchange AD Skopje.

The Company's Supervisory Board shall ensure that the Management Board shall give a statement for application of the Code of Corporate Governance from the previous paragraph of this article in a separate part of the annual performance report.

The statement for application of the Corporate Governance Code referred to in paragraph (1) of this article shall be an integral part of the Company's annual performance report.

The Company shall act in accordance with the laws and bylaws that oblige it to issue a statement for application of the Code or to provide appropriate notifications, in a manner and form set by the relevant regulations.

Article 102

The Corporate Secretary and the Company Organisational Units defined by a Company internal act shall be responsible

for providing professional and administrative support to the Company's Shareholders Assembly, Supervisory Board, and Management Board. Within their tasks and activities, they shall:

- prepare draft acts for the Supervisory and Management Board meetings and the meeting of the annual and/or extraordinary Shareholders Assembly;
- prepare the materials on the agenda for the Supervisory and Management Board meetings and of the meeting of the annual and/or extraordinary Shareholders Assembly;
- attend the Supervisory and Management Board meetings and prepare minutes;
- distribute the minutes and adopted decisions or conclusions from the Supervisory and Management Board meetings to all concerned departments of the Company;

8. Supervisory Board

Article 103

The Supervisory Board shall have 3 (three) members. Supervisory Board members shall be elected by the Shareholders Assembly.

When electing Supervisory Board members, besides the criteria set by law, the following criteria shall be considered:

- a. having personal integrity and ethics;
- b. having professional experience and knowledge relevant to the Company's business and function; and
- c. their ability and availability to actively and constructively participate in the Supervisory Board discussions and decision making.

Enclosed with the Shareholders Assembly's draft-resolutions for the election of Supervisory Board members, besides the data provided by law and the Statute, shareholders shall be informed about the following relevant data on the candidates nominated for Supervisory Board members:

- a) existence of conflicting interests between the candidate and the Company;
- b) if the candidate is already a Supervisory Board member, a summary of their last performance evaluation;
- c) for candidates proposed by the Supervisory Board, unlike for the candidates proposed by shareholders, the Supervisory Board shall also receive a report on the analysis and verification of the candidates' compliance with the requirements, whether their candidacy complies with the internal acts and the board profile, and an assessment of the candidates' independence.

Article 104

When electing Supervisory Board members, it shall be indicated which member is elected as the independent one. Independent Supervisory Board member shall be someone who or whose immediate family member:

- (1) in the last 5 (five) years had no material interest or business relationship with the Company, directly, as a business partner, as a Management Board member, as a Supervisory Board member, or executive;
- (2) in the last 5 (five) years has not received or does not receive additional income other than a salary from the Company;
- (3) has no close family ties with any of the Management or Supervisory Board members, or the Company executives, and
- (4) is not a shareholder who owns more than one-tenth of the Company shares.

Additionally, the person to be elected as independent Supervisory Board member shall meet the criteria set by law, and also:

- a. is a Supervisory Board member for less than 12 years, which term can be extended by exception if the member is less than 18 months away from the end of their term;
- b. is not an immediate family member of a person who has been a member of the Company's Management Board in the past five years;
- c. is not affiliated with a company providing consultancy services to the Company or its affiliates;
- d. is not a significant customer or supplier to the Company or its affiliates, and is not related to a significant customer or supplier of the Company or its affiliates;

- e. is not a member of the management body of a non-profit organisation that has received significant funding from the Company or its affiliates;
- f. in the past five years has not been a partner or employee in an audit firm auditing the Company or its affiliates.

Article 105

The Supervisory Board shall elect a President from among its members by a majority of the total number of members.

The President shall be responsible for ensuring the proper functioning of the Supervisory Board. The President may not pass decisions independently on behalf of the Supervisory Board.

The President shall be elected because of their knowledge, experience, skills, and ability to organise, manage and resolve conflicts.

The duties and responsibilities of the President of the Supervisory Board shall be set in the Statute and the Supervisory Board's Rules of Procedure, which shall stipulate that they, at least:

- a. oversees the work of the Supervisory Board;
- b. sets the agenda for Supervisory Board meetings, convenes and presides with meetings;
- c. ensures that the Supervisory Board members receive complete and timely information to have enough time to prepare and pass appropriate decisions;
- d. ensures that at the meetings, the Supervisory Board members have enough time to discuss before making decisions;
- e. ensures that the minutes of the Supervisory Board meetings are properly compiled;
- f. initiates the procedure for evaluation of the Supervisory Board's performance; and
- g. performs other duties provided by law and the Statute.

The Supervisory Board may dismiss the President at any time and elect a new President.

If for any reason the President of the Supervisory Board cannot perform their office or is absent, a member of the Supervisory Board elected by the majority of the present members shall chair the meeting.

The Supervisory Board shall elect a Deputy President of the Supervisory Board. If the President is not the independent member of the Supervisory Board, the independent member shall be appointed Deputy President.

Article 106

The Supervisory Board shall supervise the management of the Company's business by the Management Board and shall provide strategic guidance throughout the business year. The Supervisory Board shall act in the Company's interest but shall also consider the interests of all shareholders and other stakeholders.

The Supervisory Board shall be in permanent communication and cooperate with the Management Board in the Company's best interest and in compliance with the laws, Statute, and other Company internal acts.

The Supervisory Board may inspect and check the Company's books, documents, and assets, particularly the Company's petty cash, securities, and goods.

The supervision that the Supervisory Board exercises over the members of the Management Board shall consist in particular of:

- achieving Company's goals;
- the Company's strategy and business-related risk;
- the structure and functioning of the internal risk management and control systems;
- the financial reporting process;
- compliance with laws and other regulations;

The Supervisory Board may assign certain professional supervisory activities to particular Board members, certified auditors, or experts.

The Supervisory Board may not have management-related competences delegated to it. By exception, as provided by article 120 of the Statute, it shall give prior approval to the Management Board to decide on certain types of matters.

If the Supervisory Board refuses to give the approval, the Management Board, with a written explanation, may request the approval from the Shareholders Assembly.

The decision by which the Assembly gives the approval shall be passed by a two-thirds majority of the voting shares represented at the Assembly.

The Supervisory Board shall represent the Company vis-à-vis the members of the Management Board.

Article 107

If the Supervisory Board deems it necessary, it can request relevant information from the Company's key executives and external advisors and ask them to attend Supervisory Board meetings. The Management Board shall allow for this goal to be achieved.

Article 108

The Supervisory Board shall meet if it is necessary to perform the activities within its competencies.

Each Management or Supervisory Board member may, with a written request stating the reasons and purpose, request the President of the Supervisory Board to convene a meeting. The meeting shall be held within 15 (fifteen) days from the day of the request submission.

During the year, the Supervisory Board must hold at least 4 (four) regular meetings every three months, one of which must be within one month before the Annual Shareholders Assembly.

The Annual Report shall state how many meetings were held and how many of them each Supervisory Board member attended.

The Supervisory Board may hold other meetings convened by its President, some of its members by a written request, the certified auditor, another person designated by the Statute, or shareholders representing at least one-tenth of the voting shares. The request shall be submitted to the President of the Supervisory Board.

If following the submitted written request, the President fails to convene a meeting within the deadline specified in paragraph 2 of this article, the Supervisory Board members may also convene a meeting.

Article 109

The Supervisory Board may invite the Management Board members to attend their meetings, unless their presence may affect the Supervisory Board's ability to decide independently. The Management Board members shall not be present when the Supervisory Board discusses their work and remuneration.

Article 110

The Supervisory Board shall act with due care and diligence and in the Company's interest, while its members shall devote sufficient time in performing their office to be able to fulfil their duties in the Company.

Article 111

Supervisory Board members together should have the necessary level of professional knowledge, experience, and range of skills to enable effective decision making and supervision, considering the Company size and other particular features.

At least once a year, the Supervisory Board shall review the composition of the board in terms of knowledge, qualifications, skills, and experience that members individually and jointly possess for successful performance of their office (so-called "board profile"). The board profile shall be published on the Company website.

Article 112

The Supervisory Board shall adopt Rules of Procedure which shall govern at least the following:

- a. the manner of convening Supervisory Board meetings and submitting materials to its members;
- b. the manner of voting and decision making;
- c. the schedule of the Supervisory Board meetings;
- d. the role and powers of the President of the Supervisory Board, and their relations with the Corporate Secretary;

- e. detailed criteria for identifying and resolving conflicts of interest between Supervisory Board members and the Company.

Article 113

The Supervisory Board shall propose internal acts governing existing and potential conflicts of interest pertaining to the Supervisory and Management Board members, and to the Company executives, employees, and shareholders who alone or jointly with affiliated persons hold 20% or more of the voting shares. These internal acts shall include:

- a. rules and procedures for identifying contracts or business activities where there may be a conflict of interest;
- b. obligations of the persons having potential conflicts of interest;
- c. criteria to identify transactions requiring approval by either the Supervisory Board or the Shareholders Assembly;
- d. approval procedures for the transactions in case of conflict of interest, compliant with the legal requirements;
- e. information to be published in the Company's annual report, including information required by law and other information if needed;
- f. procedures governing the use of Company shares and acceptance of other engagements by Supervisory and the Management Board members.

Article 114

The Supervisory Board shall perform annual evaluations of its performance, composition, the potential conflict of interest of individual members, and relations and cooperation with the Management Board. The performance of the individual Supervisory Board members shall also be evaluated. Based on the results of the evaluation, if necessary, the Board shall adopt measures to improve its performance.

At least once a year, the Supervisory Board or an external consultant specialising in corporate governance, if the Board decides to hire them, shall evaluate the following:

- a. the performance, engagement, undertaken activities, and results of the Board as a collective body;
- b. the Board composition and whether such composition provides the necessary knowledge, experience, skills, and equal representation set in the board profile;
- c. the effectiveness of the President of the Supervisory Board and the contribution of each member to the Board's performance;
- d. the working atmosphere in the Board, including whether the individual Board members can express their views and resolve mutual misunderstandings;
- e. the support given to the Board, including the performance of the Corporate Secretary and the quality and timeliness of the received materials;
- f. the quality of communication and cooperation between the Supervisory Board and the Management Board; and
- g. the existence of circumstances related to the individual Board members that may cause a conflict of interests and jeopardise their independence.

Article 115

On behalf of the Company, the Management Board shall allow the Supervisory Board to be fully, accurately, and timely informed about the Company's state of affairs and performance.

The Management Board shall submit a report to the Supervisory Board at least quarterly, as provided the law, on the Company's performance, financial standing, its main financial and non-financial risks, results of activities undertaken on issues related to shareholders and other stakeholders, and all other issues identified by internal acts. Both boards shall determine the form and frequency of these reports.

The Company shall provide training to the new Supervisory Board members for successful introduction in their duties. The company shall organise continuous training and education for all Supervisory Board members, including training on the issues identified in the board profile for which the board should have the appropriate knowledge.

9. Management Board

Article 116

The Management Board shall have 5 (five) members.

The Management Board members shall be elected by the Supervisory Board.

The Supervisory Board shall identify the criteria needed by the Management Board as a whole and the personal qualities expected of each individual Management Board member. These criteria and qualities shall be considered when electing new Management Board members.

With the decision for the election of the Management Board members, one of them shall be appointed President of the Management Board.

The Supervisory Board may dismiss the President of the Management Board at any time by a majority of the total number of members and appoint a new President. Termination of the office of a President of the Management Board does not mean automatic termination of the office of a Management Board member.

No person can be a member of the Management and Supervisory Board at the same time.

The President shall convene and chair the meetings and shall be responsible for keeping the meeting minutes and the organisation of other forms through which the Management Board shall work and decide.

If for any reason the President cannot perform their office or is absent, a Management Board member appointed by the Supervisory Board shall chair the meetings.

The Management Board may decide outside of meetings daily on issues that are in accordance with the regulations and internal acts adopted by the Company.

The Management Board may entrust the performance of specific tasks to one or more of its members or to a third party.

Article 117

The Management Board shall manage the Company and its performance under its own responsibility.

For its work, the Management Board shall be responsible to the Supervisory Board.

The Management Board shall have the broadest powers to manage the Company or to perform all activities related to the management of Company's affairs and current activities and act on behalf of the Company in all circumstances within the scope of business, except for powers explicitly given to the Shareholders Assembly and the Supervisory Board.

By Decision, the Management Board shall set the individual powers of the Management Board members.

Article 118

When preparing and implementing the Shareholders Assembly resolutions, the Management Board shall be especially obliged:

1. At the request of the Shareholders Assembly to prepare the general acts and resolutions whose adoption is under the competence of the Assembly;
2. To prepare the agreements that can be concluded only with the consent of the Assembly;
3. To execute the resolutions within its competence passed by the Assembly; and
4. To perform other activities that under the law, it has towards the Assembly and that are within its competence;

Article 119

The Management Board shall function and decide in a manner set in this Statute, specifically it shall:

- 1) guide the business policy and manage the Company operations;
- 2) adopt the Company's work program and plan and shall give guidance for their implementation;
- 3) prepare an annual account and a report on the Company's performance in the previous year;
- 4) set the Company's internal organisation;
- 5) appoint, decide on their responsibility, and dismiss Company executives;

- 6) decide on employee complaints as a second instance body on employee rights, obligations, and responsibilities arising from employment;
- 7) decide on the purchase and sale of fixed and other assets if their value is greater than 10% of the book value;
- 8) adopt a Decision to conduct an inventory of fixed assets;
- 9) decide on dismissal for business-related reasons;
- 10) initiate and propose performance improvements for the Company;
- 11) decide on Company borrowing and approval of loans;
- 12) oversee the informing of Company shareholders;
- 13) conclude a Collective Agreement with the Company's trade union;
- 14) convene meetings of the Company's Shareholders Assembly;
- 15) draft proposals and acts and execute the resolutions passed by the Assembly and the Supervisory Board and shall take care of their implementation;
- 16) submit an annual report on its performance to the Supervisory Board and the Shareholders Assembly;
- 17) adopt Company internal acts, unless they stipulate that the Chief Executive Officer is responsible for their adoption;
- 18) decide on organisational changes in the Company;
- 19) prepare proposals for the Assembly where they are discussed and decided upon;
- 20) decide on other matters and perform other activities set by law, this Statute and the Company internal acts;

All Management Board members shall manage and work together.

To execute its powers, the Management Board may appoint executives who shall do the day-to-day management of the Company following the Management Board's decisions, guidelines, and orders.

Article 120

Upon consultation with and prior approval of the Supervisory Board, the Management Board shall pass decisions about the Company's strategy or expenditures, and decisions that may increase the Company's risk exposure or significantly affect its shareholders or stakeholders, namely:

- 1) Closure/termination/or transfer of part of the Company contributing to more than 10% of the Company's revenue;
- 2) Decrease or expansion of the Company's scope of business;
- 3) Essential internal organisational changes in the Company set by a Company internal act;
- 4) Establishing long-term cooperation with other companies that is essential for the Company or its termination;
- 5) Founding and termination of a company contributing to more than one-tenth in the Company's share capital; and
- 6) Founding and termination of Company's branch offices;

The lack of prior Supervisory Board approval may not be relied upon against third parties.

The Company's internal acts may additionally define the Management Board decisions that will require prior Supervisory Board approval and decisions requiring the Management Board to consult the Supervisory Board.

Article 121

The Management Board shall evaluate its own effectiveness and the effectiveness of its members at least once a year and shall report to the Supervisory Board on the evaluation results.

Article 122

Management Board members shall not be liable for damages caused by their action following a Shareholders Assembly resolution if before its passing they have warned that it is contrary to law, and a Management Board member who opposes the passing of a decision by entering a dissenting opinion in the minutes of the Management Board meeting and voting "against" the decision.

Article 123

The Management Board shall promote a corporate culture that encourages employees to engage in ethical conduct, respect, and compliance with regulations. To that aim, the Company shall adopt a Code of Ethical and Professional Conduct and shall establish a system for ensuring compliance and professional ethics within the Company. The Code of Ethical and

Professional Conduct shall be published on the Company website.

10. Chief Executive Officer

Article 124

The President of the Management Board shall represent the Company in its relations with third parties.

The Management Board, upon Supervisory Board's approval, may authorise one of the Management Board members to represent the Company.

The Supervisory Board may revoke the power of representation at any time.

The President and the member of the Management Board authorised to represent the Company may be called Chief Executive Officer.

Article 125

The Chief Executive Officer shall have the power to manage the Company's operation, execute all deals, conclude legal matters, and undertake transactions on Company's behalf, within the limits provided by law and this Statute.

Article 126

The Chief Executive Officer shall have the following powers:

- 1) propose the business policy;
- 2) directly organise and manage the Company's operation;
- 3) propose the Company plan and Management Board work program and take measures for their implementation;
- 4) take care of the execution of the Management Board decisions;
- 5) propose the Company's internal organisation;
- 6) select and hire employees;
- 7) decide on the allocation of employees depending on the needs of the operations;
- 8) decide on employee rights and obligations on behalf of the Company;
- 9) decide on the purchase and sale of fixed and other assets if their value is up to 10% of the book value;
- 10) decide on the engagement of external collaborators and other external associates depending on Company needs;
- 11) give instructions and orders to executives and employees regarding operations;
- 12) organise the inventory of fixed assets;
- 13) decide on other employment-related matters as provided by law, the Collective Agreement, the Rulebook on Employment Relations, and other Company internal acts;
- 14) decide on the establishment of working groups, and advisory and other bodies for more efficient performance of the Company's business activities;
- 15) Perform other activities set by this Statute and entrusted to them by the Management Board.

In case of inability, the Chief Executive Officer shall authorise someone to perform the activities specified under paragraph 1 of this article.

Article 127

The Chief Executive Officer shall give orders and instructions regarding the regular operation and execution of the conclusions and resolutions passed by the Company's Shareholders Assembly or Management Board.

Article 128

The Chief Executive Officer may, within the limits of their authority, authorise other persons to perform commercial, financial, accounting, IT, legal, and other matters, and to execute the resolutions of the Company's Shareholders Assembly, Management Board, and other matters.

The authorisation shall be given in accordance with the internal act governing the powers for signing contracts and other documents about the Company's operation.

The persons who are given authorisations by the Chief Executive Officer referred to in paragraph 1 of this article, may not transfer the powers derived thereof to third parties, unless the authorisations issued by the Chief Executive Officer explicitly provide that right.

The Chief Executive Officer may, at any time, with no reason, revoke any authorisation they have given.

The authorisation given by the Chief Executive Officer shall be automatically considered revoked in any case when the person authorised is no longer employed by the Company, regardless of the duration of the authorisation given.

11. Corporate Secretary

Article 129

In the Company's organisational structure, the Corporate Secretary shall report directly to the Chief Executive Officer and shall be appointed and dismissed by the Management Board, upon a proposal of the Chief Executive Officer.

The Corporate Secretary's term of office shall be 2 years.

The Supervisory Board shall give its prior approval for the Chief Executive Officer's proposal for Corporate Secretary.

Article 130

The Corporate Secretary may be assisted by the Company's organisational units and its employees, full time or part-time, as set by the Company internal acts.

Article 131

The educational and professional profile of the Corporate Secretary, the manner of work, competencies, and duties, the relations with the Shareholders Assembly, the Supervisory Board, the Management Board, the Chief Executive Officer, the Company's organisational units, other Company competent bodies, and Company shareholders shall be governed in detail by a Company internal act.

12. Company Employees

Article 132

The relationship between the employees and the Company shall be governed by employment contracts signed with the Company by each employee individually, and by a Collective Agreement.

With this Statute, the job systematisation act, the analytical assessment act, and other internal acts, the Company shall govern special issues regarding its employees, the matter of employment, and certain employee and Company rights and obligations.

Article 133

The Company employees shall have rights and responsibilities under the Employment Law and other applicable regulations, this Statute, and other Company internal acts, especially the Code of Ethical and Professional Conduct and the Rules for Working Order and Discipline.

Article 134

In the selection of employees from job applicants and the daily communication with employees, the Company shall apply a policy of non-discrimination on any grounds.

The company shall ensure continuous improvement of the professional environment and equal promotion and development opportunities for all employees.

Article 135

The company shall provide employees with the means for work and all the necessary working conditions for the successful execution of their professional tasks.

Through the organisational unit responsible for safety and health at work, the Company shall take care to preserve the employee safety and health at work and ensure full protection of employees in the discharge of their duties, in accordance with their job posts.

The company shall offer employees opportunities for professional development and advancement.

Article 136

Employees shall avoid any kind of conflict of interest with the Company.

Article 137

Each employee, while discharging their duties and, in general, as a Company employee, shall act with integrity and make decisions based on extremely ethical and moral principles.

Employees shall perform the business activities considering the Company's corporate integrity and observe all applicable regulations and high integrity Company standards.

13. Company Internal Organization

Article 138

The Company shall be organised as a system for coordinated sharing of all available resources according to specific criteria to achieve the Company goals and key values. The goals of the Company's internal organisation are:

- Responsibility for the areas entrusted to the Company organisational units
- Supervision over Company activities
- Flexibility to adapt to change
- Satisfied employees, management structure, shareholders, business partners, and other parties

The Company's internal organisation shall be governed by an internal organisation internal act defining the Company's organisational units, which the Management Board shall adopt upon Chief Executive Officer's proposal.

The Company's organisational units shall be managed by persons with special authorizations and responsibilities (executives).

14. Internal Acts

Article 139

The relations in the Company shall be governed by Statute, codes, policies, rulebooks, instructions, procedures, standard operating procedures (SOPs), work orders by the Chief Executive Officer and other executives, other Company internal acts, and with decisions governing general matters.

This Statute shall be the basic act of the Company.

The other Company's internal acts shall be in line with this Statute. The provisions of other internal acts and individual internal acts that are contrary to this Statute, may not be applied.

The Management Board, the Supervisory Board, and the Shareholders Assembly may pass rules of procedure governing their functioning and decision making, and other general acts.

Employment relations, salaries, and other employment rights shall be governed by rules, rulebooks, and collective agreements passed or concluded by the Company's Management Board.

Article 140

The Corporate Legal Department shall be responsible to draft and audit the Company's internal acts and provide interpretation and/or professional legal opinion about the internal acts, except for those whose adoption is under the competence of another organisational unit.

The Corporate Legal Department shall supervise the execution of Company internal acts, except those whose supervision under the law, this Statute or Company internal act, shall be under the competence of other organisational units or another body.

Article 141

The Management Board may authorise the Chief Executive Officer to pass certain internal acts which are within the competence of the Management Board.

Code of Ethical and Professional Conduct

Article 142

The Company shall conduct its operations in line with the highest ethical norms and standards. To this aim, the Company has adopted a Code of Ethical and Professional Conduct and has introduced a corporate compliance system, which means an integrated system of policies, acts, functions, processes, control mechanisms, and tools applied to ensure compliance with the Code of Ethical and Professional Conduct.

Article 143

All employees of the Company and the companies affiliated by capital shall observe the Code of Ethical and Professional Conduct and behave accordingly.

Article 144

The Management Board shall appoint a Corporate Compliance Officer.

The Corporate Compliance Officer shall be a contact point for all Company's employees, shareholders, business partners, and other stakeholders for matters and acts related to the Code of Ethical and Professional Conduct and someone to whom all breaches of the Code shall be reported. The Corporate Compliance Officer shall supervise and take actions concerning these processes in the companies related by capital to the Company.

The Company's Management Board shall appoint a Corporate Compliance Committee, with the Corporate Compliance Officer as its member, which shall be competent to implement the procedures for the protection of whistle-blowers and breaches of the Code.

The Corporate Compliance Committee shall be the body in charge of the procedure and shall decide about the reports of breaches to the Code.

Code of Corporate Governance

Article 145

In its corporate governance and professional conduct, the Company shall observe and apply the provisions of the Code of Corporate Governance of the Stock Exchange listing the Company's shares.

Employee, Executive, and Management Board Members Compensation Policy

Article 146

The Company shall adopt an internal act - Employee, Executive, and Management Board Members Compensation Policy to govern the criteria and conditions for remuneration of employees, executives, and Management Board members, in relation to the scope and type of entrusted tasks and/or their personal contribution to the Company's successful operation.

Internal Acts Important for the Internal Hierarchy and Coordination from a Formal, Legal, and Financial Aspect

Article 147

A Company Rulebook shall govern the manner and conditions to grant powers to the Company executives to sign contracts and other documents, and a schedule of their deputies.

Article 148

A Rulebook shall govern the powers to approve payment of invoices and other financial documents that oblige the Company to pay to third parties as part of its business and corporate operations, the procedure of checks and approvals of payment of invoices and other financial documents, and the responsibility of the persons within the Company's organisational structure responsible for approval of payment of invoices and other financial documents.

Internal Acts Governing the Compliance with Personal Data Protection Regulations

Article 149

The Company has established a personal data protection system consisting of an integrated system of policies, internal acts, functions, processes, control mechanisms, and tools applied to ensure confidentiality and protection of personal data the Company processes within its business activities, that comply with international and national data protection regulations.

The company shall comply with all regulations in all countries where it operates and in its direct cooperation with natural persons on any grounds.

The Company shall guarantee that it processes all personal data in compliance with the applicable legislation and has technical and organisational measures in place ensuring confidentiality and protection in the processing of personal data.

The Company employees shall comply with the organisational and technical procedures and measures set in the Company internal acts for confidentiality and protection of personal data.

Article 150

To consistently apply the Company's personal data protection system, the Management Board shall appoint a Personal Data Protection Officer responsible for full compliance of the Company's personal data protection system with the applicable regulations.

On the Company Internal acts in General

Article 151

The Company's internal acts that are more important for the shareholders, employees, or other stakeholders shall be published on the Company website. The Company may decide not to publish on its website the internal acts governing matters containing confidential information and Company or third-party trade secrets that the Company has promised to keep in confidence.

Article 152

The Company's internal acts shall be amended in the same manner and procedure in which they were adopted.

Article 153

The Company internal acts shall take effect on the day of adoption unless the internal act owner prescribes otherwise.

Article 154

At its registered office the Company shall keep the following acts and documents:

1. the Statute and other internal acts and their amendments, together with the consolidated versions;
2. the minutes and all other documents from all Shareholders Assemblies;
3. the minutes and decisions from Management Board and Supervisory Board meetings;
4. the annual accounts and financial statements to be kept by law;
5. the attachments (documents and evidence) submitted to the trade register;
6. all public calls and prospectuses for issuance of shares and other securities;
7. all written Company correspondence with its shareholders;
8. an updated list of names, surnames, and addresses of all elected Management and Supervisory Board members;
9. collateral and mortgage documents;
10. certified auditor and certified appraiser reports;
11. ballot cards and proxies for participation in shareholders assemblies in original or copy;
12. the Company collective agreement;
13. the complete documentation on approval of transactions with interested parties; and
14. other acts and documents required by law and this Statute.
15. Informing Shareholders

15. Informing Shareholders

Article 155

Shareholder rights, including the right to be informed about the state of affairs in the Company, shall be exercised under the applicable regulations and the Company Statute and other internal acts.

Article 156

Management and Supervisory Board members, Company executives, and employees shall cooperate. Cooperation implies an obligation that the persons referred to in paragraph 1 of this article shall not disclose information about the Company if such disclosure could harm the Company's interests.

Cooperation imposes active protection of Company interests and timely notification of the Company's competent bodies if those interests would be endangered.

Article 157

The Company shall publish reports and data as prescribed by the Management Board, and in any case, in compliance with the regulatory provisions.

The Management Board shall define the reports and data to be published, which it considers important for the Company shareholders.

Article 158

The Company shall ensure each shareholder's right to access the Company's internal acts and other documents required by law. The Company internal acts shall govern the procedure and the manner for exercising the right to access.

Shareholders shall exercise their right to be informed about the minutes and decisions from Management and Supervisory Board meetings through the Supervisory Board. Shareholders shall submit a written request to access the documentation at least 3 (three) days in advance. Shareholders shall bear the costs for the requested copies.

The Company shall be entitled to restrict the shareholders' right to access acts and documents to preserve the confidentiality of the Company's operation or business interests and shall explain the reasons to the shareholder requesting access.

Shareholders may not publicly disclose or present the information, except to shareholders, if they exercise a right before a competent body, if required by law, this Statute, or another Company internal act, or if they already are publicly available.

16. Protection of Trade Secrets and Know-How

Trade Secret

Article 159

Trade secrets shall be considered documents and data from the Company's operation designated as such by a Management Board act or determined by a rulebook on the protection of trade secrets and know-how.

The Rulebook on the protection of trade secrets and know-how shall define the manner of marking and keeping the documents and data determined to be trade secrets.

Only the President of the Management Board may disclose to other persons documents and data considered to be trade secrets.

Management and Supervisory Board members, executives, and employees who shall in any way access documents or data considered to be a trade secret shall keep them as a trade secret.

Unauthorised disclosure of a trade secret shall be a serious violation of an employee work obligation, breach of the agreement governing the Company relations with Management Board members, and the agreement governing the relations with executives.

Article 160

Disclosure of documents and data designated to be a trade secret shall not be considered a breach of the duty of confidentiality if they are disclosed to persons, bodies, and organisations to which they must be disclosed under the law or other regulations, or based on the authority arising from the function they perform or position they hold.

Disclosure of documents and data designated to be a trade secret at Management Board meetings shall not be considered a breach if that is necessary to perform certain rights and obligations in the Company interest.

A Company employee disclosing data to the Management Board shall warn attendees that the data and documents are considered a trade secret, and the attendees shall keep them as a trade secret.

The duty to keep a trade secret shall last for 5 (five) years and shall continue after termination of employment of a Company employee and expiry of a contract governing the relations with Management Board members and executives.

If the persons referred to in Article 159 paragraph 4 reveal or otherwise disclose a trade secret, they shall also be liable to criminal liability and shall fully compensate the material damage to the Company.

Protection of Know-How

Article 161

Management and Supervisory Board members and Company executives and employees shall keep in confidence all data, information, know-how, and trade secrets of the Company, or for which the Company has pledged confidentiality to third parties, and are scientific, technical/technological, financial, or otherwise by nature, that they will discover or that will emerge because of these persons' engagement as part of their activities in the Company. They shall not make them available to third parties, nor use them for their own or third parties' benefit. They shall ensure the confidentiality and protection of the intellectual property, know-how, and trade secrets of the Company or for which the Company has pledged confidentiality to third parties. Otherwise, they shall compensate for all damages that the Company may incur as a result.

Each new intellectual property and know-how created in the course of the activities of Management and Supervisory Board members, Company managers, and employees, shall belong to the Company.

17. Amendments to the Statute

Article 162

The Statute shall be amended by a resolution to amend the Company Statute.

The Management Board or the Supervisory Board and shareholders who own at least one-tenth of the total number of voting shares may initiate a procedure to amend the Company Statute.

The initiative, in the form of draft amendments, shall be submitted to the Management Board, and when authorised by law, to the Supervisory Board.

The Management Board, and when authorised by law, the Supervisory Board, shall determine the draft decision to amend the Company Statute outlining the proposed amendments, regardless of who has initiated it. The determined proposal must be reasoned.

Article 163

The resolution to amend the Company Statute shall be passed by the Shareholders Assembly.

The resolution shall be passed by a majority of the total number of voting shares.

The Assembly shall pass a resolution authorising the Supervisory Board to prepare a consolidated text of the Company Statute containing the amendments made by the resolution to amend the Statute, and the provisions of the decisions that have the character of a decision to amend the Statute.

Article 164

The amendments to the Statute or the consolidated version shall be submitted to the Macedonian Stock Exchange and published on the Company website.

Article 165

The amendment of the Company Statute shall take effect on the day of passing unless the resolution specifies another date of taking effect.

18. Increase and Decrease of Share Capital

Increase of Share Capital

Common Provisions

Article 166

The Company may increase the share capital:

- 1) by contributions;
- 2) by a conditional increase of the share capital;
- 3) by authorised capital; and
- 4) from the Company's assets.

Resolution to Increase the Share Capital

Article 167

The Shareholders Assembly shall pass a resolution to increase the share capital, which has the same effect as a resolution to amend the Company Statute, except for a decision to increase it made by the Management Board under the provision of the Statute on authorised capital.

If the newly issued shares are issued for a price higher than the nominal value of shares, the resolution must specify the price below which shares may not be issued.

The resolution to increase the share capital shall contain data on the value, manner, and date of increase of the share capital, number, type, and class of shares, cash, and non-cash contributions based on which the newly issued shares are subscribed for, and other data.

The resolution to increase the share capital shall be passed by at least two-thirds majority of the voting shares represented at the Shareholders Assembly.

A new resolution to increase the share capital may be passed only if the previous increase of share capital has been completed and registered in the trade register and with the Central Securities Depository.

The resolution to increase the Company's share capital may determine that the new shares are to participate in the Company's profit of the business year preceding the year when the decision to increase the share capital was made. In that case, the resolution to increase the share capital must be made before the resolution on distribution of profits for the business year preceding the year when the decision to increase the share capital was made. This resolution shall take effect after the increase of the share capital.

The resolution referred to in paragraph 1 of this article shall be null and void if the resolution to increase the share capital is not registered in the trade register within 3 (three) months from the day of passing. This period shall be suspended during a claim procedure challenging the decision or requiring it to be declared null and void, or until a competent authority approves the increase of the share capital if so provided by law.

By Contributions

Article 168

The increase of share capital by contributions may be done only by issuing new shares. The newly issued shares may be paid in cash and by making non-cash contributions, as provided by law.

Article 169

Only non-cash contributions whose cash value may be assessed may be deposited in the Company.

Article 170

Cash contributions shall be fully paid before the day the increase of share capital is registered in the trade register.

Non-cash contributions shall be transferred in full according to their appraised value, before the day of registration of the increase of share capital in the trade register. The company shall conclude an agreement for transferring non-cash contribution with the person transferring it. The agreement shall be signed by the President of the Management Board or a person authorised by them, and the person transferring the non-cash contribution.

If the person referred to in paragraph (2) of this article fails to transfer the non-cash contribution under the conditions set in the agreement referred to in paragraph (2) of this article, they shall pay the nominal value of the shares acquired, and fulfil other obligations provided in the agreement.

Conditional Increase

Article 171

The Company may pass a resolution to conditionally increase the share capital only for the achievement of the following objectives:

1. Company's creditors can exercise the right to exchange convertible bonds with Company shares and their pre-emptive right to subscribe for new shares the Company is to issue;
2. preparation for merger or division by separation with takeover or spin off;
3. exercising the right to shares of employees, Management Board members, and members of such bodies of affiliated companies.

The resolution for conditional increase of the share capital shall stipulate the purpose, the persons entitled to the pre-emptive right to subscribe for the newly issued shares, the term in which the conditional increase must be completed, the terms for the exercise of these rights, the value at which the shares are issued and the measures and criteria that can be used to calculate this value.

The nominal value of the conditional increase of share capital may not exceed one-half of the Company's share capital.

Authorised Capital

Article 172

The Management Board shall be authorised to increase the share capital up to a certain nominal value (authorised capital), for a maximum of 5 (five) years following the registration of the resolution to amend the Statute, by issuing new shares by contribution.

The nominal value of the authorised capital may not exceed one-half of the share capital when a conditional increase of the share capital is authorized.

New shares may only be issued with the consent of the majority of the Supervisory Board members.

New shares shall be issued under the provisions of this Statute governing the increase of share capital by contributions.

Increase of Share Capital from by Company's assets

Article 173

The Shareholders Assembly may increase the share capital by a resolution to increase the share capital, by converting the profit, reserves, and undistributed (withheld) profit not distributed as dividends or for which no other purpose has been determined. Statutory reserves may be fully converted into share capital, while legal default reserves may only be converted into share capital if they exceed the amount set by law.

The resolution to increase the share capital from the Company's assets shall be based on the last annual account verified by a certified auditor where the auditor has expressed an unreserved opinion or reserved opinion which does not question the

annual account's objectivity, and on the company's annual performance report for the preceding business year, approved by the Shareholders Assembly.

The increase of share capital by the Company's assets may be done by the issue of new shares. The resolution to increase the share capital shall state the manner in which the share capital is to be increased.

Shareholders shall be entitled to the newly issued shares in proportion to the participation of their shares in the share capital.

Article 174

Statutory reserves may be fully converted into share capital, while legal default reserves may only be converted into share capital if they exceed the amount set by law.

Reserves and profit may not be converted into share capital if losses, including any transferred losses brought forward, are stated on the balance sheet.

Statutory reserves intended for a particular purpose may be converted into share capital only if their conversion corresponds to that particular purpose.

Profits may be converted into share capital only after the Company puts the statutory reserve aside as provided by this Statute and the law.

Decrease of Share Capital

Article 175

Share capital may be decreased by:

- 1) a decrease in the nominal value of one or more share types and classes;
- 2) a reverse-split of one or more types of shares, whereby the minimum nominal value of the merged share may not be less than 10 EUR;
- 3) withdrawal of treasury and other shares, if the withdrawal results in a decrease of the share capital;

Following the decrease of the nominal value and the number of shares or the withdrawal of treasury and other shares, if the withdrawal results in a decrease of the share capital, and following the registration and publication of the entry of the decrease of the share capital in the trade register, the shares shall be cancelled.

The share capital shall not decrease below the minimum nominal value of the share capital provided by law.

Article 176

The resolution to decrease the share capital shall be passed by the Shareholders Assembly by a majority vote that may not be lower than two-thirds of the voting shares represented at the Shareholders Assembly.

The resolution shall be deemed valid if the shareholders of each share type have given their consent. To provide such approval, the shareholders of each share type shall pass a separate resolution.

The resolution to decrease the share capital shall determine the amount, purpose, and manner of the decrease of the share capital. If the share capital is decreased to refund a part of the decreased share capital to the shareholders, this shall be separately stated in the resolution.

The invitation convening the Shareholders Assembly where the decrease of the share capital shall be decided upon shall specify the reason, purpose, and manner in which the share capital is to be decreased.

Notice of the resolution to decrease the share capital shall be pre-registered in the trade register.

The following shall be enclosed with the application:

1. the resolution of the Shareholders Assembly to decrease the share capital; and
2. a notarised excerpt from the minutes of the Assembly meeting where the resolution to decrease the share capital was passed;

The president of the Management Board shall publish the intention to decrease the share capital in the Official Gazette of the Republic of North Macedonia and at least one daily newspaper, on the first business day following the entry of the

pre-registered notice of the resolution to decrease the share capital in the trade register. In the notice, the Company shall state that it agrees to pay the matured claims to each creditor filing a request or provide them with collateral for the claim. If no request for settling any claim is filed within (90) ninety days, it shall be deemed that all creditors have consented to the resolution to decrease the share capital. The known creditors whose claims exceed 10.000,00 (ten thousand) EUR in MKD equivalent shall be notified in writing individually, at their place of residence, or their registered office as entered in the trade register.

Article 177

If the share capital shall be decreased by reducing the nominal value of the shares or by a reverse-split of one or more types and classes of shares, new shares with a new nominal value shall be issued to the shareholders in proportion to the participation of their shares in the share capital before the decrease of the share capital.

The Management Board shall submit a request to the Central Securities Depository to register the changes arising from the decrease of the share capital in the Company's shareholder register, so that the new nominal value of the shares or the reduction of their number due to reverse-split or the withdrawal of shares is registered.

Before the issue of new shares because of reduction of the nominal value or reverse split of the shares, new shares shall not be issued.

Article 178

Shareholders may be paid part of the decreased share capital only after settling the creditors' claims or after securing their claims.

The company may not pay out a dividend higher than 4% of the share capital of the company earlier than 2 (two) years from the year of the passing of the resolution to decrease the share capital.

Simplified Decrease of Share Capital

Article 179

The share capital may decrease in a simplified manner only for adjustment of the nominal value of the share capital with the lower nominal value of the share capital resulting from coverage of Company losses out of the share capital.

The simplified decrease of the share capital shall be carried out by a resolution to decrease the share capital. The resolution to decrease the share capital shall state that the purpose of the decrease is to cover the losses and supplement the legal default reserves.

The share capital may be decreased in a simplified manner only after the Company's undistributed profit and reserves have been exhausted.

Decrease of the Share Capital by Withdrawal of Shares

Article 180

The decrease of the share capital may be carried out by withdrawal of shares in the manner, deadlines, and other prerequisites set by a resolution of the Shareholders Assembly, with a majority vote that shall not be lower than two-thirds of the voting shares represented at the Shareholders Assembly.

The share capital shall be deemed reduced for the total nominal value of withdrawn shares with the entry of the decision to retire shares in the trade register. The Company shall undertake all actions aimed at cancellation of the rights coming out of the withdrawn shares.

19. Major Transactions and Transactions with an Interested Party

Article 181

Any transaction, including a loan, credit, pledge or guarantee or interrelated transaction, shall be considered to be a major transaction if such transaction or transactions involve a direct or indirect acquisition, disposal or potential disposal of the Company's assets, the value of which represents more than 20% of the book value of the Company's assets, determined according to the company's most recent financial statements, excluding transactions executed in the Company's ordinary course of business, transactions related to acquisitions pursuant to the subscription of ordinary shares, and transactions related to the acquisition of convertible bonds.

In case of disposal or potential disposal of assets, the value of such assets as determined according to the Company's most recent audited financial statements, and, in case of acquiring assets, the price of the assets to be purchased, shall be compared to the book value of the Company's assets.

The Shareholders Assembly shall pass a resolution to approve a major transaction, based on the appraised value of the assets being acquired or disposed of, as determined by the Supervisory Board.

Article 182

Depending on the size, each major transaction shall be approved by the Supervisory Board or the Shareholders Assembly.

The resolution to approve any major transaction estimated to be above 20% to 50% of the book value of the Company's assets shall be passed with the consent of all Supervisory Board members. If the consent is not reached, the Supervisory Board shall submit the major transaction for approval to the Shareholders Assembly which shall adopt the resolution by a majority of the represented voting shares.

The resolution to approve a major transaction involving assets estimated to be worth more than 50% of the book value of the company's assets shall be passed by a majority vote that shall not be less than two-thirds of the voting shares represented at the Shareholders Assembly.

The Supervisory Board shall notify the Shareholders Assembly of the major transaction and of its recommendation, including a statement about the Shareholders' right not to consent to the major transaction. The written notice shall list the party or parties in the transaction, the beneficiary or beneficiaries of the transaction, the value, subject, size, and other material conditions of the transaction.

A major transaction executed contrary to the provisions of this article and the law shall be null and void.

Article 183

Any transaction, loan, credit, pledge or guarantee, in which a Management or Supervisory Board member, including Company executives or shareholders, is an interested party, who together with related parties hold 20% or more of the Company's voting shares, or a person authorised to provide mandatory instructions to the Company, shall be considered as interested party transaction.

The person referred to in paragraph 1 of this article shall be deemed an interested party having an interest in the Company's execution of the transaction, if such person, their representative, spouse, parent, children, brothers/sisters from both parents or one parent only, adoptive parents, adopted children, and/or any related party:

- 1) are a party to such transaction, a beneficiary thereof, a representative or intermediary in such transaction;
- 2) individually or jointly own 20% or more of the shares of the legal person who is a party in the transaction, a beneficiary thereof, a representative or intermediary in such transaction; or
- 3) is a Management or Supervisory Board member of the legal person which is a party in the transaction, a beneficiary thereof or representative in such transaction, or is an executive in such legal person; or
- 4) if so stipulated by this Statute;

Paragraphs 1 and 2 of this article shall not apply:

- 1) if all Company shareholders have an interest in the transaction;
- 2) in the case of exercising a pre-emptive right to purchase shares issued by the company; and
- 3) in acquisition or buyback of treasury shares;

Article 184

The persons referred to in article 183 of this Statute shall notify the Supervisory Board:

- 1) of the companies in which they alone or together with related parties own 20% or more of the share, or voting shares;
- 2) about companies in which they hold executive offices;
- 3) about current or potential transactions known to them where they are an interested party;

Article 185

The approval procedure for a transaction with an interested party and all matters pertaining to interested parties and their relations with the Company and the prevention and management of conflict of interests shall be governed in more detail in the Company's internal acts.

20. Trade Books, Annual Accounts, and Financial Statements

Article 186

The Company shall keep its books in compliance with the adopted International Financial Reporting Standards, published in the Official Gazette of the Republic of North Macedonia.

Following the principles of proper keeping of accounts, the Company shall keep a trade book in a manner that clearly reflects all business and legal operations, the position of its assets, liabilities, equity, revenues, and expenses, and the trade books shall clearly present how all the business transactions of the commercial entity have been begun, conducted, and completed.

Trade books shall be kept in such a manner that any third-party expert when inspecting the books can have a general overview of the Company's operations, its financial standing, and financial results.

The Company shall keep one copy of each business letter sent.

Trade books shall be kept following the double-entry accounting system consisting of Journal, Ledger, and Subledger records.

Article 187

At least once in a business year, the Company shall compile an inventory of its assets and liabilities and shall reconcile the accounting status of the assets and liabilities with the actual situation identified with the inventory.

Article 188

The Company shall keep its annual accounts and financial statements permanently.

Trade books shall be kept for at least 10 (ten) years as of the end of the financial year to which they refer, while accounting documentation shall be kept for a period of at least 5 (five) years, except for the documentation related to the calculation of salaries, which shall be kept permanently.

The Company shall keep the documents referred to in paragraphs 1 and 2 of this article in original form or shall transfer them to electronic or micrographic data processing media.

Annual Accounts and Financial Statements

Article 189

The Company shall prepare the annual accounts and financial statements upon the end of the business year.

The annual accounts shall consist of a balance sheet, income statement, and explanatory notes.

The financial statements shall consist of a balance sheet and income statement, statement of changes in equity, cash flow statement, applied accounting policies, and other explanatory notes prepared in compliance with the International Financial Reporting Standards.

The Company shall prepare the annual accounts and financial statements for shorter periods in the event of reorganisation (merger, accession, division), liquidation, bankruptcy, and other cases required by law.

The annual accounts and financial statements referring to the same business year, prepared pursuant to the accounting provisions and regulations shall contain identical data about the status of assets, liabilities, income, expenditures, equity, and the Company's profits or losses for the business year.

The annual account and financial statements shall be signed by the accountant i.e. the certified accountant preparing them, stating the date on which they were prepared and signed, and the registration number under which they are registered with the Institute of Accountants of the Republic of North Macedonia.

After the person referred to in paragraph 6 of this article signs the annual account and financial reports, the President of the Management Board/Chief Executive Officer shall sign them too.

Article 190

The annual account and financial statements shall be prepared upon the end of the business year, within the deadlines set by the applicable regulations. Upon the end of the business year, besides the annual account and financial statement, the Management Board shall prepare a report on the performance of the Company in the previous year.

Article 191

The Company shall have an audit opinion on the financial statements at the latest one month before the Shareholders Assembly.

The certified auditor shall be selected by the Shareholders Assembly before the end of the business year that is to be audited.

The Management Board shall allow access to the auditors to all documentation, including to what is considered to be a trade secret.

The certified auditor of the financial statements shall submit a report on the audit performed, in accordance with the International Standards on Auditing.

Article 192

The Management Board shall submit the audit report, together with the annual account, the financial statement, and the draft resolution on distribution of profits to the Supervisory Board for inspection.

The Supervisory Board shall inspect the annual accounts and financial statements and the draft resolution for distribution of profits. At the request of the Supervisory Board, the certified auditor shall attend the meeting of the Supervisory Board.

The Supervisory Board shall submit to the Shareholders Assembly a written report of the performed inspection, specifically, on the manner and scope of the performed control, the results of the performed audit, and the auditor's objections to the annual account and financial statements, with a proposal to be adopted or not.

External Audit

Article 193

A Company internal act shall govern in detail all matters related to the external audit, particularly the criteria for determining and maintaining the independence and objectivity of the external auditor, the selection procedure and selection criteria, work plan, frequency and manner of reporting by the external auditor, and other issues of interest for the engagement and activities of the external auditor.

21. Financial Results and Distribution of Profits

Article 194

The financial result from the operations and the purposes of the profits to be distributed shall be determined in compliance with the International Financial Reporting Standards.

Within the deadlines set in the applicable regulations, the Company shall submit the annual account approved by the Management Board and the audited financial statements and Annual Report approved by the Shareholders Assembly, to the Register of Annual Accounts at the Central Register. The Company shall publish the annual account, the approved financial statements, and the approved audit report in a daily newspaper and must publish them as approved by the Shareholders Assembly, without any modification.

The data from the annual accounts and financial statements shall be public and available to everyone in a manner and procedure provided by law.

Article 195

The Shareholders Assembly shall decide upon the distribution of the profits.

The resolution for distribution of profits shall show each individual purpose for the profits, specifically:

- 1) the amount of the profit to cover losses from past years (if any);
- 2) the amounts to be entered into the Company's legal and statutory reserves;
- 3) the amount to be paid as dividends;
- 4) the additional expenses based on the resolution;
- 5) the possible carrying forward of the profit into the next year (accumulated profit); and
- 6) the amount of the profit to be used to increase the share capital and the amount to be used for investments;

The resolution may not make any changes to the profit made by the Company.

Article 196

The company shall have a mandatory general reserve as a general reserve fund established by retaining funds from the net profit. This reserve shall be calculated and allocated in the amount of 5% of the profit until the Company reserves reach an amount equal to one-tenth of the share capital. If the generated reserve decreases, it shall be supplemented in the same manner.

As long as the general reserve does not exceed the amount referred to in paragraph 1 of this article, it may only be used for loss coverage.

If the general reserve exceeds the minimum amount following the loss coverage, the surplus may, by a resolution of the Shareholders Assembly, be used for supplementing the dividend, if for that business year the dividend has not reached the amount prescribed in paragraph 1 of this article.

Article 197

Special reserves may be set for covering certain losses or other expenditures. The purpose, structure, and manner of use of such reserves shall be defined by the Shareholders Assembly upon a proposal of the Management Board.

Special reserves shall be those for a purpose set by a resolution of the Shareholders Assembly. The resolution for the generation of funds for special reserve shall precisely define their purpose, the manner of their generation and investing their structure, and the manner of use.

The reserves referred to in paragraph 2 of this article shall be set aside from the Company's general property, managed separately, and their accounts kept separately from the other Company's accounts. During the existence of the company, these reserves may not be used for settling debts, or for any other purposes, except for those specified in the resolution for generation and this Statute.

Dividend

Article 198

After approving the annual account and financial statements and determining that there is profit to be distributed, the Shareholders Assembly shall designate the portion of the profit to be distributed to the shareholders as a dividend.

The Management Board may pay as dividend an amount that shall not exceed the total generated profit as stated in the annual account and financial statements, increased by any non-distributed profit brought forward from previous years and sums drawn from the reserves that may be distributed.

Before they determine the amount of the dividend, if necessary, the Shareholders Assembly may decide to set up a special reserve for protective measures for the company or for a more equitable dividend.

The Shareholders Assembly shall determine the manner in which the dividend is to be paid.

The dividend shall be paid not later than (9) nine months after the end of the business year. During the business year, the Company may pay to the shareholders a portion of the dividend in advance from the expected portion of the profit.

If the dividend is not paid within the deadline referred to in paragraph 5 of this article, after the expiration of that deadline, shareholders shall be paid default interest on the amount of the dividend payable, until the dividend is paid out.

Article 199

During the business year, the Management Board may decide to make an advance payment of dividend to shareholders based on the periodical account or financial statements for the three, six, or nine months, as audited by a certified auditor.

The amount that the Management Board may pay as an advanced payment of a dividend may not exceed the profit gained for the period for which the advance of the dividend is paid and it may not exceed the total profit gained during the previous year approved by the annual account, increased by any transferred, but not distributed profit brought forward from previous years and sums drawn from reserves that may be distributed for this purpose, decreased by the amounts to be set aside for the legal reserves and the reserves determined by the Statute, for the period for which the advanced dividend is calculated, provided that the losses from previous years have been covered if they were not covered by the last approved annual account and financial statements for any reason.

A unanimous resolution by the Supervisory Board shall be required for the advanced payment of dividends.

Shareholders may receive part of the dividend that is up for distribution or of the advances on the dividend in cash, shares, or cash and shares.

The offer to pay the dividend or the advanced dividend in shares shall be made at the same time to all shareholders.

Article 200

The resolution of the Shareholders Assembly approving the payment of dividend shall set out the following:

- 1) the amount of the dividend;
- 2) the record date, based on which the list of shareholders entitled to a dividend is determined; and
- 3) the dividend distribution plan and date of payment of the dividend (the payment date), and the manner in which the Company shall inform the persons entitled to a dividend in accordance with the adopted resolution.

If following the record date and before the date of payment the shareholder transfers shares which borne the right to a dividend, this right to a dividend shall be transferred to the transferee, unless the transferee and transferor agree otherwise.

22. Risk and Control of the Company

Risk Management System

Article 201

The Management Board shall establish an efficient system for risks identification and management, internal controls, and processes to monitor the Company's compliance with the law and its internal acts. The Supervisory Board shall oversee the operation of this system to ensure its proper and efficient operation.

The Company shall appoint a Risk Management and Continuity of Operations Officer and a Risk Management and Continuity of Operations Board, with the competence to take action to effectively identify and manage risks.

At least once a year the Supervisory Board shall review the effectiveness of the risk management system, the internal control, and the overall compliance, and advise the Management Board and the Risk Management and Continuity of Operations Officer, as well as the Risk Management and Continuity of Operation Board, if necessary.

Internal Audit

Article 202

The Supervisory Board shall organise an internal audit department as an independent organisational unit in the Company.

The organisational set-up, rights, responsibilities, and relations with the other Company organisational units, and the responsibility and conditions to appoint the head of the internal audit department, shall be governed by the Supervisory Board.

The Internal Audit Department may, if necessary, advise the Supervisory Board, the Management Board, the executives, and the shareholders, and be involved in an advisory capacity in the development of Company policies, systems, and procedures, through the advice it gives within its competencies.

The Internal Audit Department shall perform a permanent and complete audit of the legality, regularity, and timeliness of the Company's operations through:

- 1) assessment of the adequacy and efficiency of the internal control systems;
- 2) assessment of the implementation of the risk management policies;
- 3) assessment of the setup of the IT system;
- 4) assessment of the accuracy and reliability of the account books and financial statements;
- 5) checking the correctness, reliability, and timeliness of the reporting in accordance with the regulations; and
- 6) monitoring the compliance with Company's regulations, policies, and procedures.

Besides the activities referred to in paragraph (4) of this article, the Internal Audit Department shall perform a permanent and complete audit of the Company's legality, regularity, and promptness also by monitoring the compliance of the organisation and operation of the Company in accordance with the Corporate Governance Code.

The Internal Audit Department shall conduct its activities in accordance with the internal audit principles and standards and the Department's operational policies and procedures.

The Company employees shall give the Internal Audit Department employees access to the available documentation and provide them with all the necessary information.

The Supervisory Board shall ensure that the Company's Internal Audit Department operates in accordance with the relevant laws and international standards. The Supervisory Board shall appoint the head of the Internal Audit Department and approve the internal audit department's annual work plan. The Supervisory Board shall oversee the work of the Internal Audit Department and the implementation of its recommendations.

Persons performing internal audit functions shall not simultaneously perform other duties that may cause or lead to a conflict of interest.

The Supervisory Board shall ensure that the Internal Audit Department has the authority to access all the Company documents and information that it may deem necessary for the performance of its functions and audit any area of the Company's operations in accordance with the annual work plan.

The Company shall ensure that the Internal Audit Department's reports and findings are made available to the independent external auditor selected to audit the Company's financial statements.

23. Stakeholders, Sustainability, and Matters of Social Interest

Stakeholders

Article 203

The Supervisory Board and the Management Board shall consider the interests and influence of the Company's main stakeholders in performing their duties.

The Company's Management Board shall ensure the existence of effective mechanisms for identifying the Company's main stakeholders and understanding their views on issues that are essential to them. These issues shall be governed in more detail by the Company's internal acts, which shall specifically govern which persons shall be considered stakeholders, their relationship with the Company, communication between the stakeholders and the Company, and activities taken concerning the interests and views of the stakeholders. The Management Board shall take care of the regular communication with those stakeholders, and for informing the Supervisory Board about its results. A summary of the communication with the stakeholders shall be published in the Company's Annual Report.

The Corporate Secretary shall ensure that the Supervisory Board and the Management Board are informed of any relevant changes in the applicable regulations regarding the rights of the stakeholders.

Sustainability and Matters of Social Interest

Article 204

The Supervisory Board and the Management Board shall develop a corporate culture that fosters a responsible attitude towards the environment and society, approve a strategy that promotes sustainability, and ensure that the business model and risk management systems consider the potential impact of the Company's activities on the environment and the wider society.

The Company shall adopt internal acts related to its responsibility for the environment and social issues, and policies and procedures that allow the Company to identify material factors and their impact on the Company's activities. The Supervisory Board and the Management Board shall examine these policies at least once a year, and shall publish them on the Company website.

The Company's risk management system shall include processes to identify and manage the risks arising from environmental and social interest issues. The effectiveness of these processes shall be examined at least once a year. The Risk Management and Continuity of Operations Officer and the Risk Management and Continuity of Operations Board have particular competence to identify and manage the risks arising from environmental and societal issues.

In the Annual Report, the Company shall report on issues related to the environmental and social interest issues, based on the principle of transparency and in compliance with the relevant legislation and good international practices.

Article 205

When the Management Board requests from the Supervisory Board prior approval of decisions related to environmental and public interest issues, the materials submitted with the decisions should include a reasoning on how the proposed activity complies with the Company's environmental policies and social interest issues.

24. Reorganisation of the Company

Article 206

Another company may merge with the Company or the Company may merge with another company.

The Company may merge with another company by founding a new company.

A company may, by division, simultaneously transfer its entire assets and liabilities to two or more newly founded companies. The Company may, by division, transfer a part of its assets and liabilities to one or more newly founded companies or to one or more existing companies whereby the Company shall not terminate.

The division may be carried out by simultaneous transfer of all or part of the assets and liabilities of the company subject to division both to new companies and existing companies (combined division by separation with founding, separation with takeover, and spin-off with founding and spin-off with takeover).

A resolution for a reorganization of the Company shall be passed by the Shareholders Assembly under the conditions and manner provided by law and this Statute.

Accession, merger, or division may also be carried out when a resolution for termination of the Company by liquidation is passed, provided that the distribution of the remainder of the liquidation estate to the shareholders, following the settlement of the creditor's claims has not yet begun, or when the initiated bankruptcy procedure is terminated for reorganisation of the bankruptcy debtor or when it is outlined in the reorganisation plan of the bankruptcy debtor.

In the case of accession, takeover, merger, or separation with takeover, and spin-off with takeover, the Management Board of the Company shall conclude an Agreement with the management body of the company that is part of the transformation, in which they shall align the conditions for the accession, merger, or division.

The Agreement shall be in the form of a notarial act.

If the division of the Company shall be by division by separation with founding or by spin-off with the founding of new companies, the Management Board shall adopt a division plan. The division plan, with all of its proposals, shall be in the form of a notarial act.

Article 207

No later than one month before the convening of the Shareholders Assembly at which a resolution to adopt the agreement or the plan on division shall be decided upon, the Management Board shall publish a notification on the concluded agreement, or the adopted plan on division in the Official Gazette of the Republic of North Macedonia and at least one daily newspaper.

The agreement or the division plan and the annexes thereof shall be made available to all shareholders at the Company's registered office. The publication referred to in paragraph (1) of this article shall list the time and other important details so that all shareholders can access them.

The agreement or the division plan shall be submitted to the trade register to pre-register it, within the deadline set in paragraph 1 of this article and shall be published in the Official Gazette of the Republic of North Macedonia.

Article 208

The agreement or the division plan must be examined by a certified auditor appointed by the Company's Management Board. The audit report must contain an audit opinion on whether the share exchange index is fair and reasonable.

Article 209

The Management Board shall prepare a written report listing all the details for the reorganisation of the Company.

The report shall be prepared in accordance with the law.

The agreement or the division plan shall take effect after the Shareholders Assembly approves them, in a manner and procedure provided by law.

25. Termination of the Company

Article 210

The company shall terminate:

- 1) upon a resolution of the Shareholders Assembly to terminate the Company, adopted by a two-thirds majority of the voting shares represented at the Shareholders Assembly;
- 2) by accession, merger, or division of the company, by separation with founding, and separation with takeover;
- 3) by bankruptcy;

The intention to delete the company shall be published.

The Management Board or another natural person authorised by the Shareholders Assembly shall file an application to register the resolution to terminate the company in the trade register.

26. Founding of a Company

Article 211

The Company may found a company that will be under its control.

The decision to found a new company shall be made by the Management Board upon a proposal of the President of the Management Board.

If the new company is to be founded by reducing the Company's share capital, the resolution to found the new company shall be passed by the Shareholders Assembly.

The resolution to found a new company shall be passed upon a previously prepared economic feasibility study.

The members of the management body of the new company shall be proposed and elected by the Company's Management Board.

27. Final Provisions

Article 212

This Statute shall take effect on the date of its passing.

This Statute shall be prepared in Macedonian and English, with both language versions considered as originals. In case of disagreement between the original texts of this Statute written in Macedonian and English, the Macedonian language version shall prevail.

The original copy shall be the text of the Statute whose pages are initialled and which is signed by the Chair of the Shareholders Assembly of the Company at whose meeting it has been adopted.

The original copy of the Statute shall be kept attached in a separate book.

The copies of this Statute shall be signed by the President of the Management Board.

Article 213

The provisions of the legislation governing the respective matter shall apply to everything not envisaged in the Company Statute.

Article 214

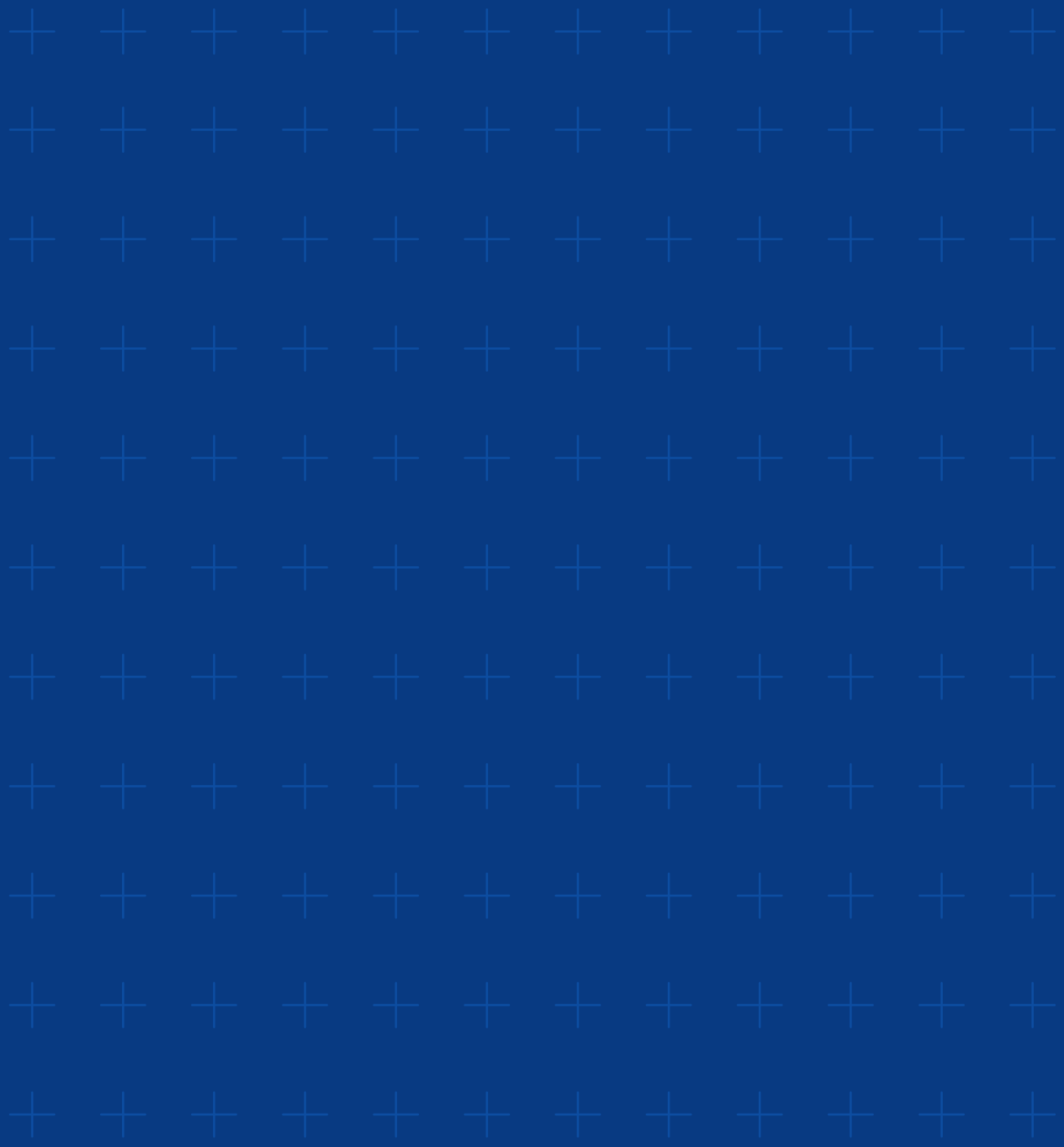
On the day of the adoption of the Resolution to amend the Statute with the consolidated text, the Statute of ALKALOID AD Skopje (consolidated text), archive number 0201-03/1, dated 04.04.2022 shall cease to be valid.

Article 215

Until the Company internal acts are harmonised the with this Statute, the provisions of the existing internal acts shall apply, if not in contradiction with this Statute.

The Company shall adopt, or amend, or supplement, all internal acts whose matter is covered by the provisions of this Statute, no later than 01.01.2023.

1 This version of the Statute of ALKALOID AD Skopje is presented in format and design for public introduction purposes. The official version of the Statute of ALKALOID AD Skopje is archived in its headquarters.



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