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STATUTE

of

Makedonski Telekom,
Joint Stock Company for Electronic Communications – Skopje
(revised integral text)

September, 2012



Pursuant to the Resolution on the modification of the Statute of the Joint Stock Company for Telecommunications Makedonski Telekomunikacii – Skopje of the Shareholders' Assembly of the Company Arch. No. _____ dated 07.09.2012, the revised text of the Statute of Makedonski Telekom, Joint Stock Company for Electronic Communications – Skopje has been prepared.

STATUTE
(revised integral text)
of
Makedonski Telekom,
Joint Stock Company for Electronic Communications – Skopje

I GENERAL PROVISIONS

Article 1

- 1.1 The Company is established upon a Resolution of the Government of the Republic of Macedonia for transformation of the Public enterprise for telecommunications “Makedonski Telekomunikacii” - Skopje (Resolution No. 23-3038/1 dated 15 December 1997, published in the *Official Gazette* No. 65/97).
- 1.2 Makedonski Telekom, Joint Stock Company for Electronic Communications – Skopje (the Company) is a Macedonian joint stock company with a one-tier management system.

Article 2

- 2.1 This Statute regulates: the brand name and the seat of the Company, scope of operation of the Company, issues relating to the share capital of the Company, managing and governing bodies of the Company, general acts and the procedure for their adoption, nominal value of the shares, number of shares for each type and class, rights, liabilities, limitations and benefits, procedure for convening and holding of Shareholders' Assembly, as well as other issues of importance for the Company.
- 2.2 Apart from the provisions from item 2.1 of this Article, this Statute also contains provisions regarding issues which, in accordance with the Law on Trade Companies, are regulated by Statute.
- 2.3 Apart from the provisions from items 2.1 and 2.2 of this Article, the Statute contains other provisions of importance for the Company which are not prohibited by law.
- 2.4 Other issues which are of importance for the Company and which are not regulated by this Statute may be regulated, in accordance with the Law on Trade Companies and this Statute, by other acts of the Company.
- 2.5 If a certain provision from another act of the Company is not in compliance with this Statute, the provisions of the Statute shall apply.



II. TRADE NAME, SEAT AND LOGO OF THE COMPANY

Article 3

3.1 The full trade name of the Company reads:

Makedonski Telekom, Joint Stock Company for Electronic Communications – Skopje

3.2 The abbreviated trade name of the Company reads:

Makedonski Telekom AD - Skopje

3.3 In the foreign trade operations, the Company's trade name is written in the Latin alphabet, as follows:

Makedonski Telekom AD - Skopje

3.4 The Registration number of the Company is 5168660.

3.5 The Shareholders' Assembly of the Company decides on any modification of the trade name of the Company.

Article 4

4.1 The seat of the Company is in Skopje, Kej 13 Noemvri, No.6, Centre Municipality.

4.2 The Shareholders' Assembly decides on any change of the seat of the Company.

Article 5

5.1 The Company has an official seal with a rectangular shape which comprises the full trade name of the Company, the seat and the logo.

The graphic design of the official seal of the Company is as follows:



Македонски Телеком

АД за електронски комуникации - Скопје

5.2 The Company has an archive stamp which is used for the registration of the internal documents, as well as the documents which the Company sends to third parties.

The archive stamp has a rectangular form which comprises the full name of the Company, the seat and it has a space for the archive number and date.



The graphic design of the archive stamp of the Company is as follows:

Македонски Телеком Акционерско друштво за електронски комуникации - Скопје	
Број	_____
Дата	

5.3 The Company has an acceptance archive stamp which is used for the registration of the incoming, external documents.

The acceptance archive stamp has a rectangular form which comprises the full name of the Company, the seat and it has a space for the acceptance, the organizational unit, the number, the enclosure and the value.

The graphic design of this acceptance archive stamp of the Company is as follows:

Македонски Телеком Акционерско друштво за електронски комуникации - Скопје			
Примено:			
Орг. Един.	Број:	Прилог:	Вредност:

5.4 The size and the design of the aforementioned seals shall be in the standard format in accordance with the technology for their manufacturing.

Article 6

6.1 In its official communication, besides the full or the abbreviated trade name of the Company defined in Article 3 herein, the Company shall use a corporate brand (logo) with the following form and content:



6.2 The form, content and usage of the logo are regulated by an act adopted by Shareholders' Assembly of the Company.



Article 7

7.1 The Company is established for an indefinite period of duration.

III. SCOPE OF OPERATION OF THE COMPANY

Article 8

8.1 The Company is a legal entity with rights, obligations and liabilities stipulated by this Statute and by the Law.

Article 9

9.1 The Company may establish companies and subsidiaries in the Republic of Macedonia and abroad. The Board of Directors adopts a Resolution on the establishment of companies and subsidiaries.

9.2 The Company may participate in companies, consortia and other types of associations in the Republic of Macedonia and abroad in a manner prescribed by the law.

Article 10

10.1 The Company, within its scope of operation, performs the following activities harmonized with the National Classification of Activities:

64 Postal services and Telecommunications

64.20 Telecommunications:

(a) In national and international telecommunication traffic, as follows:

- Telegraph services
- Telephone services, including Voice over IP
- Transmission and switching of telecommunication signals for the needs of public telecommunication operators and users of telecommunication services
- Public payphone services
- Provisioning of specialized services, services for record-keeping of telephone subscribers, speaking clock, etc.
- Leasing of telecommunication lines (trunks) to other public telecommunication operators and users of telecommunication services
- Mobile telecommunication services
- Broadcasting of radio and TV signals and cable TV
- Data transmission
- Internet services
- Satellite services
- Other telecommunication and telematic services



71	Leasing machines and equipment without a handler, and leasing goods for personal use and households
71.1	Rent-a-car
71.3	Leasing other machines and equipment
72	Computer and computer-related activities
72.1	Hardware-related consultations
72.2	Consultations and offering of software
72.3	Data processing
72.6	Other computer activities
74.6	Investigation and security activities
74.8	Other business activities not mentioned elsewhere

Activities in foreign trade operation:

- Economic, organizational and technological services
- Consulting and engineering services in the field of telecommunications abroad
- Trade with terminal telecommunication and information technology equipment
- Transport and repair of vehicles, air-conditioning equipment and electrical devices
- Catering services for accommodation
- International freight forwarding

10.2 The main activity of the Company is:

64.20 Telecommunications

10.3 The Shareholders' Assembly of the Company decides on changes in the scope of operation of the Company.

10.4 The Board of Directors adopts a Resolution on widening/narrowing the scope of activities of the Company. This Resolution is obligatorily confirmed by the Shareholders' Assembly at its first following meeting.

IV. INTERNAL ORGANIZATION OF THE COMPANY

Article 11

11.1 The Rulebook on Internal Organization, adopted by the Board of Directors, regulates the organization of the operational process, committees and other working bodies, as well as other issues relevant for the successful and efficient performance of the operations of the Company.

11.2 The Rulebook on Internal Organization defines the organization and the type of activities performed in the organizational parts of the Company.

11.3 The organizational structure of the Company is based on the following principles:

- 1) Customer orientation
- 2) Value Creation, supported by the "supply chain" concept
- 2) Process orientation



Article 12

- 12.1 The Company is an independent legal entity, which acts autonomously and is responsible for the undertaken liabilities.

V. SHARE CAPITAL, TYPES OF SHARES IN THE COMPANY, CONVERTIBLE BONDS

Article 13

- 13.1 The capital of the Company is 9,583,887,733.00 MKD (nine billion five hundred and eighty three million eight hundred and eighty-seven thousand seven hundred and thirty-three MKD) divided into:
- (1) 95,838,780 (ninety five million eight hundred and thirty-eight thousand seven hundred and eighty) common registered shares with a nominal value of 100 (one hundred) MKD per share; and
 - (2) one (1) registered Golden Share with a nominal value of 9,733 (nine thousand seven hundred and thirty-three) MKD, owned by the Republic of Macedonia.

Article 14

- 14.1 All shares of the Company are registered and their holders are entered into the Shareholders' Book.

Article 15

- 15.1 The rights and obligations of the shareholder are regulated in accordance with the Law on Trade Companies, other prevailing regulations and the provisions of this Statute.
- 15.2 A shareholder of the Company may be a domestic or foreign, legal or physical entity.
- 15.3 The shareholders of the Company have the following rights:
- (1) To vote at the Shareholders' Assembly of the Company (hereinafter Shareholders' Assembly), wherein one share bears the right to one vote
 - (2) To receive dividends, if any
 - (3) To receive a return of capital from the liquidation quota, if any
 - (4) To acquire and pay out a portion of any new shares issued while increasing the registered capital, pro rata to the shareholders' stake in the registered capital prior to such increase, except in relation to new shares of the Company issued upon conversion of convertible bonds or debentures into shares
 - (5) To receive written materials relating to the agenda of the Shareholders' Assembly
 - (6) To authorize another person in writing to represent them at the Shareholders' Assembly by a Power of Attorney.



- 15.4 In the event of increase of capital by issuance of new shares, in case of a delay in effectuating payment of registered shares, the shareholder in default is not entitled to vote on the basis of such registered shares at the Shareholders' Assembly for the period of the delay.
- 15.5 The shareholders are entitled to participate in the profits of the Company which the Shareholders' Assembly designates for distribution. The shareholders participate in the profits proportionally to the ratio of the nominal value of the shares registered to the relevant shareholder on the date on which the Shareholders' Assembly approves the distribution of dividends.
- 15.6 The dividend is paid not later than nine months after the expiry of the business year. No dividend is announced or paid in respect of any financial year prior to the approval of the annual Financial Statements by the Shareholders' Assembly for the relevant financial year.
- 15.7 The Shareholders' Assembly of the Company may make an advance dividend payment to the shareholders in the course of the business year, based on a periodical account or periodical Financial Statements for the three, six or nine months, as confirmed by the authorised auditor of the Company.
- 15.8 After expiration of the period defined in item 15.6, dividends whose payment was not claimed or cashed or any deferred dividend, are payable in a manner determined by the Board of Directors or prior to the expiration of the term defined in item 15.6 at the request of the shareholder, and are paid to an account or are delivered to the designated address to an account of the shareholder.
- 15.9 Shareholders cannot require return of the share capital during the existence of the Company, nor when a bankruptcy procedure is initiated against the Company. Should a liquidation procedure be conducted against the Company, the shareholder is entitled to participate in the return of capital from the liquidation quota of the Company.
- 15.10 The shareholder is entitled to participate in the return of capital from the liquidation quota of the Company in accordance with item 15.3. The participation during distribution of the remaining liquidation quota is determined in the same manner as for the shareholder's participation in the profit distribution.
- 15.11 At the Shareholders' Assembly, the shareholder may require explanations, give proposals and exercise the rights stipulated by the law.
- 15.12 Shareholders are not responsible for the liabilities of the Company with their personal assets.
- 15.13 The Company is responsible to its creditors with its assets.

Article 16

- 16.1. The Republic of Macedonia is the holder of a Golden Share, registered in the Shareholders' Book of the Company, which is kept in the Central Securities Depository of the RoM as a priority cumulative share.

- 16.2 The Company does not recognize any holder of the Golden Share other than the Republic of Macedonia, its agents and bodies, and any transfer or supposed transfer to any other person is deemed as null and void.
- 16.3 The Golden Share has the following rights:
- (1) The Golden Share ranks equally with Shares of the same nominal value in the Company's capital relating to rights to a dividend and other distributions, as well as for return of capital upon liquidation.
 - (2) The Republic of Macedonia is to be notified on all meetings of the Shareholders' Assembly of the Company, and is entitled to attend and vote at all meetings of the Shareholders' Assembly of the Company.
 - (3) No decision or resolution of the Shareholders' Assembly is valid nor has any legal effect if the Republic of Macedonia, as the holder of the Golden Share, votes against the respective resolution or decision, at any Shareholders' Assembly of the Company where such resolution or decision is proposed in relation to any of the following matters:
 1. Generating, distributing or issuing of share capital other than pro rata to the existing shareholder's stake or alteration of rights arising from the existing share capital (including the Golden Share), when such an issue, or alteration of rights, would result in, or effect a change of Control of the Company; or
 2. Integration, merging, separation, consolidation, transformation, reconstruction, termination or liquidation of the Company, or the adoption of any Court-approved arrangement model involving an amount higher than 20% (twenty percents) of the objective value of total assets of the Company as presented according to the latest audited consolidated Financial Statements of the Company, except when the subsequent respective stake of its members remains (as much as possible) unaffected or strictly pro rata to the existing stake; or
 3. Alteration of the Company's principal business activities or the scope thereof involving an amount higher than 20% (twenty percents) of the objective value of total assets of the Company as presented by the latest audited consolidated Financial Statements of the Company, or termination of the business for providing telecommunication services in, within and for Macedonia, or re-location of the headquarters of the Company, or the principal centre of control and operations of the Company, to a new location; or
 4. Sale or abandonment either of the principal business activities (as defined in Article 10 of this Statute) or of significant assets of the Company required for performing such business activities, involving, in either such case, an amount higher than 20% (twenty percents) of the objective value of total assets of the Company as presented by the latest audited consolidated Financial Statements of the Company; or



5. Amendment of the Statute of the Company in such a way so as to modify or cancel the rights arising from the Golden Share; or
 6. Change of the brand name of the Company;
- 16.4 The Company does not undertake any matter falling within the scope of the above and the Board of Directors has no power to resolve upon, make, approve or implement any matter falling within the scope of the above, except by adoption of a resolution or decision of the Shareholders' Assembly upon which the Republic of Macedonia, as the holder of the Golden Share, has voted in favour.
- 16.5 For the purposes of this Article, Control means the ability to exercise more than 50% (fifty percents) of the voting rights arising from the ordinary share capital of the Company (unless such Control is exercised by Magyar Távközlési Részvénytársaság (Hungarian Telecommunications Company Limited) (MATÁV Rt) as a result of the generating, distributing or issuing of share capital referred to in paragraph (1) above).

Article 17

- 17.1 The Company may establish a fund from which the employees may obtain shares of the Company free of charge or at a premium price. Shares that the employees can obtain from the fund may amount to maximum one tenth (1/10) of the share capital.
- 17.2 The fund is managed by a Management Board of the fund, consisting of five members, of whom four are appointed by the Board of Directors and one member is appointed by the Trade Union of the Company with a mandate of two years.
- 17.3 The usage and the manner of distribution of funds allocated for employees' shares are regulated in the Rulebook which is adopted by the Shareholders' Assembly upon a proposal by the Board of Directors.
- 17.4 The Shareholders' Assembly may adopt: a Programme according to which the employees will be able to obtain shares; a resolution on issuing shares intended for the fund stated in item 17.1; as well as criteria for their distribution.

Article 18

- 18.1 The Company's shares are registered in the Shareholders' Book, which is kept in the Central Securities Depository of the Republic of Macedonia, in electronic version, in a form and with content stipulated by law.
- 18.2 The shares of the Company are issued and transferred as an electronic file, in the Central Securities Depository, in accordance with the law.
- 18.3 The following data are entered in the Shareholders' Book: for physical entity – name and surname, address and personal identification number (PIN) of the citizen, i.e. passport number for a foreign



person, while for a legal entity – brand name, address and identification number of the legal entity, as well as other data in accordance with the Law.

Article 19

- 19.1 The Company may issue securities.
- 19.2 The Company may, up to the amount of one half of the share capital, issue bonds that may, on the request of the bonds owner, be converted into shares (convertible bonds).
- 19.3 The Company may issue bonds which, in case of an increase in the share capital, provide the pre-emptive right for purchasing new shares that are later issued by the Company (bonds that provide pre-emptive right to purchase).
- 19.4 The Company may issue convertible priority shares that bear a number of priority rights and conversion rights, redeemable convertible priority shares and convertible priority shares and convertible bonds with a fixed amount.
- 19.5 The Company may, in accordance with the law, conclude optional agreements on purchase and sales of shares and bonds and “futures” agreements in a manner and under conditions defined in this Statute
- 19.6 The Company may, in accordance with the law, acquire its own shares.

VI COMPANY BODIES

Article 20

- 20.1 The bodies of the Company are: the Shareholders’ Assembly of the Company and the Board of Directors.

1. SHAREHOLDERS’ ASSEMBLY OF THE COMPANY

Article 21

- 21.1 The Shareholders’ Assembly of the Company, in the process of executing the rights and liabilities, decides only upon issues that have been, by law and by this Statute, defined as issues which fall within the competence of the Shareholders’ Assembly of the Company, as follows:
 - 1) Modifications to the Statute of the Company
 - 2) Approval of the Annual Account, Financial Statements and Annual Report on the operations of the Company in the previous business year, deciding upon the distribution of the profit and defining the amount and method of dividend payments

- 3) Defining the means of covering losses incurred in the accounting period, additional approval of the method of utilization of the proceeds from the Reserve Fund
 - 4) Appointment and releasing of the members of the Board of Directors and determining the remuneration which will be paid to the non-executive members of the Board of Directors for their operation
 - 5) Approval of the operation and management of the operation of the Company by the members of the Board of Directors
 - 6) Change in the share type and class and change in the rights linked to certain types and classes of shares
 - 7) Increase and decrease of the share capital of the Company
 - 8) Issuing shares and other securities
 - 9) Appointment of an authorized auditor for auditing the Annual Account And Financial Statements
 - 10) Transformation of the Company into another form of a Company and status modifications of the Company
 - 11) Approval of major transactions in accordance with article 51-55 of this Statute
 - 12) Alterations of the Company's property structure, if the accounting value of the relevant part of the property affected by the alteration exceeds ten percents (10%) of the Company's property net value as set forth in its latest Financial Statements
 - 13) Termination of the Company
 - 14) Other issues defined by law or the Statute of the Company
 - 15) Adopting Rules of Procedure for its operation
- 21.2 The Shareholders' Assembly of the Company may not decide upon issues in the field of managing and governing the Company's operation, which fall within the competence of the Board of Directors.

Article 22

22.1 The annual Shareholders' Assembly is convened by the Board of Directors no later than three months after the preparation of the Annual Account, the Financial Statements and the Annual Report on the operations of the Company in the preceding financial year and no later than six months after the end of the calendar year or 14 months from the last annual Shareholders' Assembly.

22.2 At the annual Shareholders' Assembly of the Company, the Assembly:

- 1) Reviews the Annual Account, the Financial Statements and the Annual Report on the operations of the Company and brings a Resolution on their adoption
- 2) Decides on the usage of net profit or coverage of loss, and
- 3) Decides on the approval of the performance of the members of the Board of Directors, for each individual member of the Board of Directors. If the Shareholders' Assembly does not approve the performance of all members of the Board of Directors, it may decide to proceed with an election of new members to the Board of Directors. If the Shareholders' Assembly does not approve the performance of certain members of the Board of Directors, it may decide to proceed with an election of new members to replace those members whose performance has incurred the Assembly's disapproval.



- 22.3 In the event that the annual Shareholders' Assembly of the Company is not convened or, due to any reasons, is not held within the deadline defined in item 22.1 of this Article, a Resolution on convening the annual Shareholders' Assembly may be adopted by the court upon a proposal of any shareholder.
- 22.4 The Shareholders' Assembly elects the Chairperson of the meeting of the Shareholders' Assembly (hereinafter "Chairperson of the Shareholders' Assembly") from the ranks of the shareholders or the person representing the shareholder. A member of the Board of Directors of the Company may not be elected as the Chairperson of the Shareholders' Assembly. The Chairperson of the Shareholders' Assembly defines the sequence for the operation and maintains order at the meeting of the Shareholders' Assembly, and may also define the rules for chairing the meeting of the Shareholders' Assembly. The Chairperson of the Shareholders' Assembly is elected at each individual meeting. The mandate of the Chairperson of the Shareholders' Assembly is valid until the election of the Chairperson for the following Shareholders' Assembly which is to be held.

Article 23

- 23.1 Minutes are taken for the operation of the Shareholders' Assembly of the Company.
- 23.2 Minutes are prepared within eight (8) days from the day of holding the Shareholders' Assembly, and signed by the Minute taker and the Chairperson of the Shareholders' Assembly.
- 23.3 If the Shareholders' Assembly of the Company decides to modify certain data which, in accordance with the Law on Trade Companies, are registered in the Trade Register, then the Minutes of the Shareholders' Assembly are taken by a notary.
- 23.4 The Shareholders' Assembly of the Company regulates, in more detail, its operation and the decision-making process, in a separate Rules of Procedure.

Article 24

- 24.1 Meetings of the Shareholders' Assembly of the Company are convened by the Board of Directors, in accordance with the provisions of the Law on Trade Companies. A meeting may also be convened upon a request by the shareholders holding one-tenth (1/10) of all voting shares, which is to be submitted to the President of the Board of Directors.
- 24.2 In the event that a meeting of the Shareholders' Assembly of the Company is not convened during a given year or within eight days from the day of receipt of the request of shareholders holding at least one tenth (1/10) of all voting shares, it shall be convened upon a Court resolution, authorizing the shareholders who have requested the convening of the meeting, or their representatives, to convene the meeting. The Resolution on rejecting the request must contain the reasons for such a decision.
- 24.3 If, upon the request of shareholders holding the majority of all the voting shares, the Board of Directors does not convene a Shareholders' Assembly within 24 hours from the date of submitting the request, the shareholders may submit a proposal on convening the Shareholders' Assembly to the court.



- 24.4 The meeting of the Shareholders' Assembly of the Company is convened by an invitation.
- 24.5 The invitation for the meeting contains at least the following information:
- (1) Brand name and seat of the Company
 - (2) Place, date and time of the meeting of the Shareholders' Assembly of the Company
 - (3) Information on the formalities that have to be followed, in order for the shareholders to be able to attend and vote at the Shareholders' Assembly, in accordance with this Statute and the Law
 - (4) Proposed Agenda
 - (5) Manner of availability of the materials prepared for the convened Shareholders' Assembly
- 24.6 The materials must be available to the shareholders as of the day of submitting the invitation.

Article 25

- 25.1 Invitations for convening the meeting of the Shareholders' Assembly of the Company are submitted to all shareholders whose shares grant them the right for participation in the operation of the Shareholders' Assembly which is being convened. The invitation is submitted according to the extract from the shareholders' book, which is not older than three days up to the day of submitting the invitation.
- 25.2 The submission of the invitation is done in a manner which enables confirmation of the date of submission and the date of its receipt by each shareholder.
- 25.3 The deadline, calculated from the day of submitting the invitation for participation at the Shareholders' Assembly until the day of holding the Shareholders' Assembly, may not be longer than 50 days nor shorter than 21 days until the day of holding the Shareholders' Assembly.
- 25.4 The Board of Directors determines the day (date of record) which is used for submitting the invitations according to the extract from the Shareholders' Book, which may not be longer than three days.

Article 26

- 26.1 Resolutions may be adopted at the meeting of the Shareholders' Assembly of the Company, if it has been convened in compliance with the laws and the Statute, and if there is a quorum for operation.
- 26.2 Should there be no quorum, a new meeting shall be scheduled within a fifteen (15) days' period, and shall be deemed legitimate, regardless of the represented shares.



Article 27

- 27.1 The Shareholders' Assembly may operate (quorum for operation) if the meeting is attended by verified participants of the Shareholders' Assembly who possess at least the majority of the total number of voting shares.
- 27.2 The resolutions of the Shareholders' Assembly are adopted by a majority of the voting shares represented at the Shareholders' Assembly, unless the Law on Trade Companies and this Statute determine a larger majority or other conditions are prescribed in terms of the majority by which the resolutions of the Shareholders' Assembly are adopted.

Article 28

- 28.1 The Shareholders' Assembly decides by means of public vote. The Shareholders' Assembly assigns at least one person to count the votes.
- 28.2 The appointment of a member of the Board of Directors or the release of a member of the Board of Directors is performed by means of public vote.
- 28.3 Upon the request of one or several shareholders which possess at least one tenth (1/10) of the total number of voting shares, secret voting is conducted.

Article 29

- 29.1 When the Shareholders' Assembly decides by means of secret voting, the voting is conducted by a Commission for the conduct of secret voting, elected by a Resolution of the Shareholders' Assembly. The Commission must comprise three members. A shareholder, i.e. another person that is a member of the Board of Directors, or the Chairperson of the Shareholders' Assembly at which the secret voting is conducted may not be elected as a member of the Commission. The Commission for the conduct of secret voting is obliged to work in an impartial and unbiased manner.
- 29.2 The Commission operates and secret voting is conducted in accordance with the Law on Trade Companies.
- 29.3 Apart from holding meetings with personal presence, the Shareholders' Assembly of the Company may also decide by holding meeting via conference call, as well as without holding a meeting, in accordance with LTC.
- 29.4 The Resolutions of the Shareholders' Assembly of the Company enter into force on the day of their adoption, unless the Resolution specifies another date for entering into force.



2. BOARD OF DIRECTORS OF THE COMPANY

Article 30

- 30.1 The Board of Directors consists of fourteen (14) members, of whom thirteen (13) are non-executive members and one is an executive member as an Executive Director. Four (4) of the non-executive members are independent members of the Board of Directors.
- 30.2 The Shareholders' Assembly of the Company elects the members of the Board of Directors by a majority of the voting shares from the quorum for operation of the Shareholders' Assembly defined by this Statute, for a period of four years. The members of the Board of Directors may be re-elected regardless of the number of their previous mandates.
- 30.3 Prior to the election of a member of the Board of Directors, data on each candidate, defined by law, are submitted to the Shareholders' Assembly of the Company.
- 30.4 In the process of election of the members of the Board of Directors, it is defined which members are elected as independent members of the Board of Directors. Independent members of the Board of Directors are elected from the non-executive members of the Board of Directors.
- 30.5 The Board of Directors elects one Executive Director from the members elected in the Board of Directors. A member of the Board of Directors, elected as an independent member of the Board of Directors, cannot be elected as an Executive Director of the Board of Directors.

Article 31

- 31.1 The Board of Directors elects an Executive Director by means of a public vote with majority votes of the total number of members of the Board of Directors, for a period (mandate) of four (4) years.
- 31.2 The Executive Director holds the title Chief Executive Officer.

Article 32

- 32.1 Non-executive members, besides the authorizations granted by this law in exercising the right of supervision over governing the operation by the executive member, are entitled to perform an inspection and examine the books and documents of the Company, as well as the property, especially the treasury of the Company, securities and goods. Non-executive members may assign any employee from the Company or another expert to perform certain supervisory tasks.
- 32.2 In the process of supervision, the President of the Board of Directors or any other non-executive member, authorized auditor or other person defined by the Statute, or shareholders representing at least one tenth (1/10) of the voting shares, may request a meeting of the Board of Directors to be convened. The request is submitted to the President of the Board of Directors.



32.3 The manner and procedure for performing supervision by the non-executive members is regulated in the Rules of Procedure of the Board of Directors.

Article 33

33.1 The members of the Board of Directors are competent foreign or Macedonian, physical or legal entities. A legal entity appoints a foreign or Macedonian physical entity as its representative, for performing its functions in the Board of Directors.

33.2 The Board of Directors may not include a member and/or a representative of a member who:

- (1) has been a member of an executive or supervisory body of, or a general partner in, a company whose existence was terminated due to bankruptcy, and where the legal proceedings against such an entity initiated by the creditors whose liabilities have not been settled, are still pending
- (2) is a spouse or a direct or close relative or in-law of another member of the Board of Directors
- (3) is engaged in the Republic of Macedonia (in each case as mentioned below) in an activity which is competitive to the Company; is a member of a managing body of a competitor Company, or owns a share of the capital of a competitor Company which guarantees control in the decision-making;
- (4) has been disqualified from holding the position of a Director by force of law of the Republic of Macedonia or by force of national laws of a foreign person;
- (5) is incapable of work.

33.3 The Board of Directors elects a President of the Board of Directors from its non-executive members, by a majority of votes of the total number of members of the Board of Directors. The Board of Directors may release the President at any time and elect a new President.

33.4 The President of the Board of Directors convenes and chairs the meetings, is responsible for keeping record of the meetings and organizing other methods (forms) of operation and decision making of the Board of Directors. The President of the Board of Directors does not have the right to cast a second decisive vote. If, due to any reasons, the President is not able to perform the function of a President or if he/she is absent, another non-executive member appointed by the President of the Board of Directors chairs the meetings of the Board of Directors. If the President of the Board of Directors is not able to appoint a chairperson of the meeting, the Board of Directors elects a chairperson from its members at the meeting, by majority votes of the present members.

Article 34

34.1 The Board of Directors manages the Company within the authorizations defined by the law and this Statute, as well as the authorizations explicitly granted by the Shareholders' Assembly. The Board of Directors has the widest authorizations in the management of the Company within the scope of operation of the Company and in acting in all circumstances on behalf of the Company, except for the



authorizations explicitly granted to the non-executive members of the Board of Directors. Within the authorizations, the Board of Directors especially:

- (1) Determines the business policy
- (2) Proposes the annual Balance Sheet and the Report on the operations of the Company to the Shareholders' Assembly
- (3) Makes recommendations to the shareholders on distribution of revenues generated by the operation of the Company and coverage of losses;
- (4) Adopts resolutions on investments that are not anticipated in the annual Business Plan
- (5) Adopts plans for the telecommunication traffic in a state of war
- (6) Defines the regulated retail tariffs and prices of the products and services of the Company
- (7) Adopts Rules of Procedure for its operation
- (8) Adopts resolutions on termination or transfer of companies or significant parts thereof
- (9) Adopts resolutions on widening or narrowing the activities of the Company, as well as significant modifications of the Company's activity
- (10) Adopts resolutions on establishment of Commissions/Committees from its non-executive members and other persons (such as: Audit Committee, Remuneration Committee, etc.) and regulates their competences, structure and activities
- (11) Adopts resolutions on more significant organizational changes and determines the high level organizational structure of the Company, adopts the Rulebook on Internal Organization of the Company, as well as the general part of the Rulebook on Job Systematization of the Company
- (12) Adopts resolutions on long-term co-operation of major significance to the Company, and on termination thereof
- (13) Adopts resolutions on establishing companies and subsidiaries
- (14) Adopts resolutions on new business activities
- (15) Adopts resolutions on modification of key conditions or extension of the duration of the Services Agreement
- (16) Approves the annual Business Plan and budgets of the Company, Strategic Plans and Operations Plans
- (17) Adopts resolutions on the acquisition and disposal of real estate, taking loans, granting securities and warrantees, acquisition and granting of licences, granting of mortgage or pledge rights on long-term assets of the Company, and extension of loans to third parties in amount exceeding 20%, but not higher than 50% of the book value of the Company's assets
- (18) Determines the accountancy method
- (19) Appoints a procurator or external representatives
- (20) Adopts resolutions on transactions with assets necessary for fulfilling the obligations of the Company in relation to the national security and defence of the Republic of Macedonia
- (21) Appoints the Chief Officers of the Company on a proposal of the Chief Executive Officer and concludes, with each Chief Officer, a Contract for regulation of relations between the Board of Directors and the Chief Officer, in accordance with the provisions of the Law on Trade Companies (The Contract for regulation of relations with a Chief Officer determines the salary, the reimbursements, the participation in the profit, the compensation of expenses, the reimbursement for life insurance and other types of insurance, and other rights arising from employment. The type and the amount of total earnings and the other rights and obligations arising from the employment of the Chief Officer correspond to the type and scope of the



- entrusted duties and the responsibilities of the Chief Officer (Job Description), as well as to his/her personal contribution to the successful operation of the Company)
- (22) Appoints persons with special authorizations and responsibilities (leading personnel) in the Company, upon a proposal by the Chief Executive Officer
 - (23) Decides on all issues which result in a payment liability from the Company's side that exceeds € 1 million or an equivalent amount in any other currency
 - (24) Concludes a Collective Agreement with the majority Trade Union of the Company
 - (25) Decides on the scrapping and sale of fixed assets of the Company whose individual market value exceeds € 50 thousands, but no more than the amount determined in this Statute for major transactions
 - (26) Performs other activities determined by law and this Statute.
- 34.2 The Board of Directors may, in accordance with the LTC, transfer part of its powers to the executive member of the Board of Directors.

Article 35

- 35.1 The members of the Board of Directors, in accordance with their position defined by law, have equal rights and obligations, regardless of the assignment of the rights and obligations among them within the body. They perform their activities jointly, in accordance with the authorizations stipulated by law, and in accordance with the competences delegated to them with this Statute. The principle of equal rights and obligations does not exclude the individual responsibility of each member of the Board of Directors for his/her operation. The Board of Directors may adopt resolutions by which it establishes the responsibilities of a member of the Board.
- 35.2 The Board of Directors may operate and decide if at least half of all its members are present at the meeting, i.e. at least seven (7) members of the Board of Directors of the Company. If there is no quorum for operation, the convened meeting shall be re-scheduled in a period not shorter than five working days from the day of the initially scheduled meeting.
- 35.3 The Board of Directors adopts resolutions by a majority of votes from the quorum defined in item 35.2-a, unless the law and this Statute stipulate a higher or another majority.
- 35.4 The resolutions of the Board of Directors enter into force on the day of their adoption, unless otherwise stipulated by law, and their application may be specified in the resolution itself.
- 35.5 The Board of Directors operates and decides in a manner defined by law, this Statute and its Rules of Procedure. The Rules of Procedure are adopted by the Board of Directors with a majority of votes from the total number of members of the Board of Directors.

Article 36

- 36.1 The Board of Directors gathers at regular meetings at least quarterly, unless more frequent meetings are agreed between the members of the Board of Directors.



- 36.2 The President may convene a meeting of the Board of Directors at any time upon his/her own initiative or upon a request by the Chief Executive Officer or another member of the Board of Directors.

Article 37

- 37.1 The Board of Directors may hold a meeting, i.e. its members may participate and decide at a meeting organized by using a conference call or by means of other audio and video communication equipment, so that all persons who participate at the meeting organized in such a manner can listen, see and talk to each other, unless it is prohibited by the Statute. The participation at such meetings is deemed as presence and personal participation of the persons connected in such a manner.
- 37.2 The participation at the meeting is registered in the Minutes of the Board of Directors which is signed by all members who participated at the meeting, organized in a manner defined in item 37.1 of this Article.

Article 38

- 38.1 If necessary, in order to urgently adopt a resolution within the competence of the Board of Directors, the members of the Board of Directors may adopt resolutions without holding a meeting, provided that all members of the Board of Directors give their consent for the resolution which is being adopted without holding a meeting.
- 38.2 For all resolutions adopted in the manner defined in item 38.1 of this Article, the President of the Board of Directors, or the physical entity authorized by the President, prepares Minutes in which the resolutions are recorded. The Minutes are signed by the President of the Board of Directors, or a member of the Board of Directors in the absence of the President of the Board of Directors, no later than 30 days from the day of giving consent for the resolution which was adopted without holding a meeting.
- 38.3 The resolutions adopted in the manner defined in item 38.1 of this Article enter into force on the day of giving consent from item 38.1 of this Article by all members of the Board of Directors, unless the resolution stipulates another time of entering into force. Consent to the proposed resolution may be given by a personal signature, or by a signature sent by fax or by electronic means of communication.

Article 39

- 39.1 A member of the Board of Directors is obliged to perform the authorizations granted by law and this Statute in the interest of the Company and in the interest of the shareholders due regard to conscientious business practices, and may not transfer his/her authorizations to another member of the Board of Directors.

Article 40

- 40.1 The Board of Directors may establish one or more commissions/committees from its members and other persons.



- 40.2 The commissions/committees may not decide on issues which fall within the competence of the Board of Directors, nor may the Board of Directors transfer any of its rights and responsibilities to the commissions/committees.
- 40.3 The Rules of Procedure of the Board of Directors and other acts of the Company, adopted in accordance with this Statute, regulate in more detail the structure, conditions, scope and manner of operation of these commissions/committees.
- 40.4 All activities of the commissions/committees are subject to approval by the Board of Directors.

Article 41

- 41.1 Any contract or other business activity of the Company in which a member of the Board of Directors, a manager or persons closely related to them in accordance with the Law on Trade Companies have any interest, even indirectly, must be executed in accordance with the provisions of the Law on Trade Companies relating to approving transactions with an interested party.
- 41.2 If a member or an interested member of the Board of Directors finds out that the conditions from item 41.1 of this Article and the law have been met, he/she is obliged to immediately inform the Board of Directors.
- 41.3 The interested member has the right to give an explanation but not to participate in the discussion or in the process of adopting the resolution regarding the contract or any other legal matters.
- 41.4 Transactions with an interested party made contrary to the provisions of the Law on Trade Companies are null and void.

Article 42

- 42.1 The Shareholders' Assembly may recall all or certain members of the Board of Directors even prior to the expiry of the period for which they were elected.
- 42.2 The Chief Executive Officer may be recalled by the Board of Directors. If the Chief Executive Officer is recalled, his/her position in the Board of Directors is adjourned until the following meeting of the Shareholders' Assembly of the Company, at which it shall be decided whether he/she shall be recalled prior to the expiry of the mandate for which he/she has been elected.

Article 43

- 43.1 A member of the Board of Directors may submit a written resignation to the Board of Directors at any time.



- 43.2 The signature of the member of the Board of Directors on the notification of resignation is verified by a notary.
- 43.3 No decision making is performed upon the submitted resignation as to the acceptance thereof, but based on the resignation submitted in such a manner, an application shall be filed for deletion of the member of the Board of Directors from the Trade Register.

Article 44

- 44.1 With the exception of authorizations which the law explicitly defines as being performed by the Board of Directors, the Chief Executive Officer manages the operation of the Company and has the most comprehensive authorizations to perform all activities relating to managing, enforcing resolutions of the Board of Directors, performing current activities of the Company, and acting in all circumstances on behalf of the Company.
- 44.2 The Chief Executive Officer represents the Company in relations with third persons before third parties within the limitations defined by the Board of Directors or this Statute.
- 44.3 The Chief Executive Officer manages the operation of the Company, establishes and enforces the internal organization of the Company, in accordance with the Rulebook on Internal Organization of the Company and the Resolutions of the Board of Directors.
- 44.4 The Chief Executive Officer manages the operation of the Chief Officers and the other managers in accordance with the operational procedures he/she prescribes.
- 44.5 The Board of Directors appoints the Chief Officers upon the proposal of the Chief Executive Officer. The Chief Officers of the Company exercise the employment rights and liabilities according to the terms and conditions defined in the contract on regulation of the relations between the Board of Directors of the Company and the Chief Officer. On behalf of the Board of Directors of the Company, the contract is signed by the President of the Board of Directors.
- 44.6 In order to perform the authorizations from item 44.1 of this Article, the Chief Executive Officer may appoint leading personnel (managers), who perform the daily management of the operation of the Company in accordance with the resolutions, guidelines and orders of the Chief Executive Officer.
- 44.7 In the event of longer absence or incapacity (for a period longer than 30 days), the Chief Executive Officer, with the consent of the Board of Directors, appoints a person who will replace him/her within the authorizations defined by the Chief Executive Officer.

Article 45

- 45.1 The Chief Executive Officer, in the process of managing the operation of the Company:
- (1) Represents the Company and performs activities on behalf of the Company, with a limitation regulated in Article 50 below or by a Resolution of the Board of Directors of the Company
 - (2) Enforces the resolutions of the Board of Directors



- (3) Ensures the implementation of the foundations for programmes adopted by the Board of Directors
- (4) Participates in determining criteria for using and managing of proceeds and for using revenues of the Company
- (5) Coordinates the business activity of the Company
- (6) Decides on the recruitment and termination of employment
- (7) Appoints and releases the leading personnel (managers) defined by the Statute of the Company and determines their responsibilities, except for the Chief Officers who are appointed by the Board of Directors
- (8) Proposes the Chief Officers to the Board of Directors of the Company
- (9) Proposes the Rulebook on Internal Organization and the Rulebook on Job Systematization to the Board of Directors of the Company
- (10) Makes recommendations on the business policy to the Board of Directors
- (11) Prepares the Strategic Plan and the Annual Business Plan of the Company for adoption by the Board of Directors
- (12) Makes recommendations to the Board of Directors on distribution of revenues generated in the process of operation of the Company and coverage of losses
- (13) Proposes resolutions to the Board of Directors concerning investments that are not covered by the Annual Business Plan
- (14) Proposes the regulated retail tariffs and prices of the products and services of the Company to the Board of Directors
- (15) Decides on the internal organization and systematization of the Company, except for the part which falls within the decision-making competence of the Board of Directors
- (16) Prepares plan for the telecommunication traffic in a state of war
- (17) Decides on scrapping and sale of fixed assets of the Company whose individual market value does not exceed € 50 thousands
- (18) Decides on establishment of advisory bodies (Management Committee, etc.) in order to comply with his/her legal and statutory obligations in an efficient manner

Article 46

- 46.1 The Chief Executive Officer of the Company has all the authorizations to take measures necessary and useful in order to achieve the objectives of the Company in accordance with the law and this Statute.

Article 47

- 47.1 The rights and obligations of the Chief Executive Officer, apart from the rights and obligations stipulated by law and this Statute, are defined by a contract on regulation of relations between the Company and the Chief Executive Officer. On behalf of the Company, the contract is concluded by the non-executive members of the Board of Directors and is signed by the President of the Board of Directors.

Article 48

- 48.1 The management, procedures, decision making, and other such matters relating to the Company are regulated and conducted in accordance with the applicable contracts concluded between the owners



of shares, reflecting the ownership structure of the share capital, pro rata to the participation of the owners of shares in the share capital of the Company.

Article 49

- 49.1 The Chief Executive Officer may grant a written power of attorney to another person to enforce and sign any document for which the Chief Executive Officer is duly authorized pursuant to the law and this Statute.

VII. REPRESENTATION OF THE COMPANY

Article 50

- 50.1. The Chief Executive Officer may issue a proxy to other employees of the Company for signing certain contracts, agreements and other legal acts whose content and level of undertaken obligations has been previously approved by him/her. The signature of certain contracts, concluded by the Company, are performed collectively with two (2) signatories in accordance with the authorization, resolutions and other internal acts of the CEO.

VIII. MAJOR TRANSACTIONS AND PROCEDURE FOR APPROVING MAJOR TRANSACTIONS OF THE COMPANY

Article 51

- 51.1 Any transaction (including, but not limited to a loan, credit, pledge, guarantee) or interrelated transactions, are considered to be a major transaction, if such transaction or transactions refer to a direct or indirect acquisition or sale 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 latest financial statements, with the exception of transactions performed in the ordinary course of business of the company, transactions related to acquisitions by registration of common shares of the company, and transactions related to the acquisition of convertible bonds.
- 51.2 In case of a sale or creation of a possibility for disposal of assets, the value of such assets determined according to the latest audited financial statements of the company, and, in case of acquiring assets, the price of the assets to be purchased, is compared to the book value of the Company's assets.
- 51.3 In the event that the Shareholders' Assembly, pursuant to the law, adopts a resolution to approve a major transaction, the resolution is adopted on the basis of the appraised value of the assets being acquired or disposed, as determined by the Board of Directors.



Article 52

- 52.1 Each major transaction is subject to approval by the Board of Directors or the Shareholders' Assembly, according to its value.
- 52.2 The resolution to approve any major transaction, which refers to assets whose value is estimated to be above 20% to 50% of the book value of the company's assets, is adopted with the consent of all members of the Board of Directors.
- 52.3 In the event that the consent set out in item 52.2 of this article for the approval of the major transaction is not reached, the Board of Directors may decide to submit the major transaction, for which a resolution is to be adopted, for approval to the Shareholders' Assembly. The Shareholders' Assembly adopts the resolution by a majority of the represented voting shares at the Shareholders' Assembly.
- 52.4 The resolution to approve a major transaction involving assets whose value is estimated to be more than 50% of the book value of the company's assets, is adopted by a majority vote of two thirds of the represented voting shares of the Shareholders' Assembly.
- 52.5 The Board of Directors submits a written notification on the major transaction to the Shareholders' Assembly, stating that the Shareholders' Assembly should review the proposal for the major transaction and recommendation by the Board of Directors, including a statement about the shareholders' right to object to the major transaction. The written notification indicates the party or parties to the transaction, the beneficiary or beneficiaries of the transaction, the value, the subject, the scope and other material terms of the transaction.
- 52.6 In case a member of the Board of Directors has a personal interest in the realisation of the major transaction, or acts as an interested party in its approval, the provisions of this Statute pertaining to interested party transactions apply.
- 52.7 A major transaction, which is effected in a manner contrary to the provisions of this Article, is null and void.

Article 53

- 53.1 Any transaction (including but not limited to a loan, credit, pledge or guarantee) in which a member of the Board of Directors is an interested party, including the managers or a shareholder who together with related parties hold 20% or more of the company's voting shares, or a person who has the authorisation to provide mandatory instructions to the company, is considered as a transaction with an interested party and is executed by the company pursuant to procedure in compliance with the provisions of this Statute.
- 53.2 The person referred to in item 53.1 of this Article is deemed as an interested party and as a party having an interest in the realisation of the transaction by the company, if such a person, his representative, spouse, parents, children, brothers/sisters from both parents or from one parent only, adoptive parents, adopted children, and/or any related party (hereinafter: interested party):



- 1) is a party to such transaction, a beneficiary thereof, a representative or intermediary in such transaction; or
- 2) individually or jointly owns 20% or more of the shares of the legal entity that is a party in the transaction, a beneficiary thereof, a representative or intermediary in such transaction; or
- 3) is a member of the Board of Directors which is a party in the transaction, a beneficiary thereof or representative in such transaction, or is a manager

53.3 Provisions from items 53.1 and 53.2 of this Article do not apply:

- 1) if all shareholders of the Company have an interest in the transaction
- 2) in case of exercising a pre-emptive right to purchase shares issued by the Company and
- 3) in the case of acquisition or redemption of a company's own shares.

Article 54

54.1 Persons referred to in article 53 of this Statute are obliged to notify the Board of Directors on:

- 1) the companies in which they alone or together with related parties possess 20% or more in the stake, i.e. voting shares
- 2) the companies in whose bodies they perform certain managerial positions and
- 3) current or potential transactions known to them, in which they act as interested parties.

Article 55

55.1 Any transaction with an interested party is subject to prior approval by the Board of Directors or the Shareholders' Assembly, in a manner and in accordance with the procedure set out in this Article.

55.2 The resolution to approve a transaction with an interested party is reached by a majority of votes of the members of the Board of Directors who do not have an interest in the transaction. If all members of the Board of Directors are interested parties, or if the number of disinterested members of the Board of Directors is less than the quorum required for a meeting of the Board of Directors defined in this Statute, such transaction is approved by the Shareholders' Assembly.

55.3 The transaction with the interested party is approved by the Shareholders' Assembly with a majority vote of all disinterested shareholders who own voting shares if:

- 1) the value of assets involved in such transaction or series of related transactions is 2% or more of the book value of the Company's assets, based on the Company's latest audited financial statements or related to the offered price in case of purchasing a property
- 2) a transaction or related transactions refer to issuing of shares by registration or the sale of shares that represent more than 2% of the Company's common shares outstanding in that period, and the common shares into which securities previously issued in series and convertible into shares, can be converted or
- 3) a transaction or related transactions refer to issuing of convertible bonds by registration, which may be converted into common shares and which represent more than 2% of the Company's issued common shares, and if at the same time, the common shares previously issued in series may be converted into shares.



- 55.4 The resolution to approve a transaction with an interested party specifies the person who is a party to the transaction or the beneficiary thereof, as well as the value, subject matter and other material terms of the transaction.
- 55.5 The Shareholders' Assembly may approve a transaction with an interested party that may be realized with the Company in the future, in its ordinary course of business. The Resolution adopted by the Shareholders' Assembly obligatorily specifies, among other issues, the maximum value of such transaction.
- 55.6 The Board of Directors specifies the price of the assets or services sold or purchased through the transaction during the procedure for approval of the transaction with an interested party.
- 55.7 The transaction with an interested party made contrary to the provisions of this section of this Statute, are null and void.

IX. BUSINESS SECRET

Article 56

- 56.1 The business secret consists of acts, documents and data whose disclosure and presentation to an unauthorized person is contrary to the interests and the reputation of the Company.

Article 57

- 57.1 All the employees, shareholders (their proxies) and members of the Board of Directors of the Company are obliged to keep the business secret of the Company. The responsibility for keeping the business secret continues at least two years after the termination of the employment in the Company.

X. DEFENCE

Article 58

- 58.1 Pursuant to the Defence Law and the internal acts of the Company, the Company prepares itself for performing telecommunications traffic during a state of war.

Article 59

- 59.1 In a state of war, the Company takes measures for protecting and saving the employees and property, including protection of telecommunication facilities against warlike activities.

Article 60

- 60.1 In a state of war, the Company is obliged to give priority to providing telecommunication services for the needs of the army, state authority bodies and companies of a special importance to defence.



XI. TRANSPARENCY IN THE OPERATION

Article 61

61.1 The service users and the employees in the Company are informed about all issues related to the operation of the Company through the means of public informing and the internal informing facilities of the Company.

Article 62

62.1 In order to achieve timely informing of the employees regarding the operation and the activities of the Company, the Company issues an internal official bulletin and other professional informative publications.

XII. ENVIRONMENT PROTECTION AND PROMOTION

Article 63

63.1 The Company is obliged, pursuant to the law, to perform its activity in a way that ensures environment protection and promotion.

63.2 The environment protection and promotion is regulated by a general act of the Company.

XIII. COOPERATION WITH THE TRADE UNION

Article 64

64.1 The rights, duties and liabilities of the employees from the employment, and of the Company (as Employer), as well as the scope and the way of exercising rights and duties and other provisions regarding issues that are in the best interest of the employees and the Employer, as well as the way and the procedure for resolving mutual disputes, are regulated in a Collective Agreement concluded between the Company (as Employer) and the majority Trade Union.

XIV. GENERAL ACTS

Article 65

65.1 General acts of the Company are: Statute, Rulebooks, Directives, Resolutions and other acts defined by the law and this Statute.

65.2 Rights, liabilities, responsibilities and other matters arising from the employment of the employees in the Company are regulated by a Collective Agreement and other general acts of the Company.



Article 66

- 66.1 The general acts are published in the internal bulletin of the Company or on the Intranet page of the Company.

XIV. TRANSITIONAL AND FINAL PROVISIONS

Article 67

- 67.1 Until adoption or modification of general acts, the existing general acts of the Company shall be applied, provided they are not contrary to the law or this Statute.

Article 68

- 68.1 This Statute is prepared in Macedonian and in English languages, both of which are considered originals. In case of any discrepancy between the original texts of this Statute written in Macedonian and in English, the Macedonian version shall prevail.

- 68.2 All written authorizations, invitations, decisions, minutes, and resolutions relating to, and documents to be presented at, meetings of the shareholders or the directors of the Company, shall be prepared and presented to the shareholders or the members of the Board of Directors, as applicable, in both Macedonian and English.

Article 69

- 69.1 Procedure for modification of this Statute may be initiated by the Board of Directors as well as the shareholders having at least one tenth (1/10) of the total number of voting shares. The initiative in a form of amendments is submitted to the Board of Directors.
- 69.2 The Proposed Resolution on modification to this Statute which contains the proposed modifications, regardless of the submitter of the initiative, is defined by the Board of Directors. The defined proposed Resolution on modification to the Statute must contain an explanation.
- 69.3 The modification to the Statute enters into force on the day of adoption of the Resolution on modification to the Statute, unless another date for entering into force is specified by the Resolution on modification to the Statute.



Article 70

70.1 This revised integral text of the Statute shall be applicable as of 10 September 2012.

Board of Directors
President
Oliver Kosturanov