

Цементарница УСЈЕ АД

Бр.

02-646/2

31-10 2022 год.

СКОПЈЕ

CEMENTARNICA USJE AD SKOPJE

STATUTE

OF

CEMENTARNICA USJE AD SKOPJE

Skopje, October 2022

Based on Article 418 from the Law on Trade Companies, Article 18 of the Statute of Cementarnica USJE AD Skopje, the Decision for adoption of the Statute of Cementarnica USJE AD Skopje no. 02-300 dated 19.03.1998. the Decision no. 02-1219 dated 03.12.2018 for modification and amendment of the Statute of Cementarnica USJE AD Skopje, the Decision no. 02-553 dated 03.06.1999 for amendment of the Statute of Cementarnica USJE AD Skopje, the Decision no. 02-1381 dated 29.07.2004 for modification and amendment of the Statute of Cementarnica USJE AD Skopje, the Decision no. 02-823 dated 18.04.2005 for amendment of the Statute of Cementarnica USJE AD Skopje, the Decision no. 02-1269 dated 08.05.2006 for modification and amendment of the Statute of Cementarnica USJE AD Skopje, the Decision no. 02-1390 dated 22.07.2009 on amendment of the Statute of Cementarnica USJE AD Skopje, the Decision no. 02-808 dated 14.05.2012 on amendment of the Statute of Cementarnica USJE AD Skopje, the Decision no. 02-863 dated 13.05.2013 on amendment of the Statute of Cementarnica USJE AD Skopje, the Decision no. 02-735 dated 29.06.2017 on amendment of the Statute of Cementarnica USJE AD Skopje and the Decision no. 02-646 dated 31.10.2022 on amendment of the Statute of Cementarnica USJE AD Skopje, the Board of Directors has prepared consolidated text of the Statute of the Company as follows:

## **STATUTE OF CEMENTARNICA USJE AD SKOPJE**

### **I. GENERAL PROVISIONS**

#### **Article 1**

The present Statute regulates the issues related to:

1. Name and registered seat of the Company;
2. Subject of business operations;
3. Internal organization;
4. Powers and purpose of the company as a legal person;
5. Representation of the company;
6. Share capital, nominal value and number of shares;
7. Duration of the company;
8. Assembly;
9. Type, structure and election of the management body and its powers;
10. Manner of serving notices in the company;
11. Right to be informed and information procedures;
12. Other issues to be regulated under law.

### **II. NAME AND REGISTERED SEAT**

#### **Article 2**

The name of the Company shall read: Cementarnica USJE AD Skopje

The abbreviated name of the Company shall read: USJE AD Skopje

#### **Article 3**

The Company has its own trade mark.

The trade mark shall be defined by the Board of Directors.

The trade mark of the Company shall be used on the letterhead, the securities, product packages, the advertisements and other promotional material, as well as on other places when needed.

#### **Article 4**

The Company has round seal with the following text: Cementarnica "USJE" AD-Skopje.

The Company has a stamp in rectangular form with the following text:

Cementarnica "USJE" AD-Skopje, and after the name there is a space left for a Ref. No., date and place.

#### **Article 5**

The registered seat of the Company is in Skopje, at 94 Boris Trajkovski St.

#### **Article 6**

Changes in the Company's name and registered seat are made upon a decision by the Company's Assembly at a proposal by the Board of Directors.

### **III. SUBJECT OF THE BUSINESS OPERATIONS**

#### **Article 7**

The Company in its internal trade is registered to perform all activities determined in the NCA (National Classification of Activities) except those who demand special licenses, permits or other acts of state or other competent organs.

In the external trade the Company will perform all activities set by law, except those who demand special licenses, permits or other acts of state or other competent organs.

The priority activity of the Company is:

23.51 Production of cement

Additional activity of the Company is:

35.14 Electricity trade

#### **Article 8**

The Company will invest in stocks, loans and other securities issued by any domestic or foreign company or enterprise.

#### **Article 9**

Changes in the Company's business activities, i.e. extension or replacement of a business activity, shall be made against a decision of the Board of Directors.

The Company, without being recorded in the Commercial Register, may also carry on other activities necessary for implementation of the works subject to its operation, which are not directly related to the works being subject to its operation that contribute for full utilization of the capacities and the materials used in its operation.

The Board of Directors shall inform the Assembly of the decision subject of paragraph 1 herein on its first next meeting.

The Company may establish companies, representative offices or subsidiaries of any kind, and also may invest its capital in other companies in the country or abroad, with the decision of the Board of Directors.

### **IV. COMPANY'S INTERNAL ORGANIZATION**

#### **Article 10**

For the purpose of carrying out the activities set forth in the previous Articles, depending on the character of the work process, the organization of the work operations in the Company is realized through organizational units, i.e.: plants, sectors, sections and departments.

The number and the name of the organizational units, their size, the internal organization and the place in the organizational structure, as well as the type of functions carried out therein, are established with a separate act.

For the issues stated in this Article, the decisions are made by the Company's Board of Directors.

### **V. POWERS, PURPOSE AND DURATION OF THE COMPANY AS A LEGAL PERSON**

#### **Article 11**

The Company is a legal entity carrying out a business activity founded for the purpose of earning a profit.

The Company, in the legal transactions with third parties, acts independently and has rights and responsibilities of a legal entity.

The Company has one or more denar or foreign currency accounts.

The Company shall be responsible for its liabilities with all its assets.

The Company has been founded for non-definite period of time.

## **VI. REPRESENTATION OF THE COMPANY**

### **Article 12**

The Chief Executive Director appointed by the Board of Directors represents and presents the Company in the relationships with third parties.

Any type of contract or document that binds the Company in any manner whatsoever must bear two signatures as determined by decision of the Board of Directors.

### **Article 13**

The Board of Directors may issue separate decisions concerning the representation of the company, and shall always appoint the persons that shall sign on behalf of the company with written resolutions.

## **VII. SHARE CAPITAL, NOMINAL VALUE AND NUMBER OF SHARES**

### **Article 14**

The amount of the share capital of the Company is 1.747.730.400,00 denars or 28.651.318 EUR in counter value against the average rate of exchange of the National Bank of Macedonian (NRM) current at the day when the Statute was registered in the Commercial Register.

The nominal value of one share is 3.100,00 denars.

The share capital is divided in 563.784 ordinary shares owned by the Shareholders according to the Share book, which is also kept in form of an electronic record with the Central Depository of Securities.

Any changes in the Share Book shall be made according to the conducted transfer of shares by dealing at the stock exchange or according to the transfer made in any other way as provided under the Law.

### **Article 15**

The Company's shares owned by the Shareholders are personal shares.

The shares defined in paragraph 1 herein are ordinary shares.

The Shareholders of ordinary shares have the following rights:

1. A voting right in the Company's Assembly
2. A right to collecting dividend (part of profit)
3. Right to collect payment of the part remaining after liquidation, i.e. bankrupt's estate of the Company.

### **Article 16**

Each share provides a right to one vote in the Assembly.

## **VIII. ASSEMBLY OF THE COMPANY**

### **Article 17**

The Assembly of Shareholders is the body of the Company where the Shareholders exercise their rights in the Company. Each Shareholder recorded in the Share Book from the date of his/her recording, is granted with the right to participate in the work of the Assembly, with a right to vote including the right to be represented by another person with Power of Attorney.

The members of the Board of Directors may participate at the Shareholders Meeting without a right to vote, unless as shareholders.

### **Article 18**

The Assembly of the Company especially has the following powers:

1. Passes and amends the Statute;
2. Adopts the final account, financial reports and annual report for the work of the company in the previous year and decides for distribution of profit;
3. Appoints and recalls the members of the Board of directors;
4. Approves the work and the way of management of the company by the members of the Board of Directors;
5. Decides on increase or decrease of the share capital of the Company;
6. Decides on amendment of rights related to certain types and genders of shares;
7. Decides on issuing of new shares and other securities;
8. Decides on transformation of the company into other forms, as well as on statutory amendments (accession, merger and division);
9. Appoints auditors for the annual final account and annual financial reports;
10. Decides on termination of the Company;
11. Gives approvals to the Executive member of the Board of Directors to undertake certain actions or works in case the Board of Directors refuses to give such approvals;
12. Decides on annual bonus and rewards for the members of the Board of Directors;
13. Appoints liquidators of the Company.

#### **a) Annual Assembly of Shareholders**

### **Article 19**

The Board of Directors shall convene the Annual Assembly of Shareholders not later than 3 (three) months after preparing the annual account, financial statements and the annual report for the operations of the company for the previous year, but not later than 6 (six) months after the end of the previous calendar year or 14 (fourteen) months from the last held Annual assembly.

If the Board of Directors does not convene the Assembly in due time, the Assembly shall be convened without any delay by the majority of the non-executive members of the Board of Directors.

If the non-executive members of the Board of Directors fail to convene the Annual Assembly of Shareholders or the same is not held within the term specified under paragraph 1 of this Article, the decision for convening the Annual Assembly may be passed by the Court at a proposal of any shareholder.

In general, the following items shall be reviewed and adopted on the Annual Assembly of Shareholders

- 1) final account, finance reports and annual report for the work of the company;
- 2) distribution of the net profit or covering of losses;
- 3) approving of work of the members of the Board of Directors;
- 4) appointment of an auditor for the annual report;
- 5) any other issues proposed by the Board of Directors.

The Annual Assembly, after the end of the business year, shall obligatorily decide regarding the approval of the operation and the managing of the operation of the Company by the Board's members.

For approval of the operation of the members of the Board of Directors, there shall be separate voting for each member of the Board.

The discussion and the approval of the operation by the Board of Directors, i.e. the manner in which they managed the Company's operation must be associated with the discussion on the annual account, the financial statements and the annual report on the Company's operation in the previous business year.

If the Assembly does not approve the operation of the Board of Directors or of some of its members at the same meeting, then the Assembly may decide to proceed towards election of all

members of the Board of Directors, or appoint new members of this body in the place of those whose operation has not been approved by the Assembly.

The Assembly may decide that the members of the Board of Directors whose operation has been approved, to continue performing the urgent works of the Company to the moment of appointment of all members of this body, which shall be made in a continuation meeting that shall be held within a term not shorter than 8 (eight) days and not longer than 15 (fifteen) days from the date of announcement of the date for continuation of the meeting of the Annual Assembly. The date for holding the continuation meeting shall be published in a daily newspaper.

## **b) Convening and holding of the Shareholders Meeting**

### **Article 20**

When it is in the interest of the Company and the Shareholders, at the time between the two annual shareholders' meetings, an Assembly may be convened.

The Decision for convening the Assembly shall be adopted by the Board of Directors and the same shall be convened in a manner and procedure as for convening the General Assembly.

### **Article 21**

The Assembly shall be convened by issuing a public announcement to the Shareholders.

The public announcement regarding the convening of the assembly shall be published on a half spread in in one daily newspaper printed on the territory of the R. of North Macedonia. The public announcement is also published on the official Company's web site as well as the official Macedonian stock exchange's web site.

The period that starts to run as of the day of publication of the public announcement until the day when the assembly is to be convened, cannot be shorter than 30 days as to the day of holding the assembly. The complete materials for the convened assembly are published not later than 2 days as of the publication of the public announcement.

The public announcement shall contain all the information about the company and its head office, place, date and time of the meeting, procedural formalities, the agenda, the manner of availability of the materials for the assembly to the Shareholders in the Company's head office and official web site, as well as a description of the procedures for including items in the agenda and proposing decisions and voting via representative.

### **Article 22**

The Assembly may decide only regarding issues duly placed on the Agenda.

The Assembly may also discuss regarding issues that have not been duly placed at the Agenda, but may not decide about the same.

Each Shareholder is entitled to submit an initiative at any time for inclusion, at the discretion of the Board of Directors, of one or more items on the Agenda of the Assembly, which will be convened.

Shareholders who individually or jointly own at least 5% of the total number of shares may request, in writing, for extending the Agenda by inclusion of one or more items at the Assembly that has already been convened, provided that they simultaneously submit an explanation for the proposed item or if they propose a decision based on the proposed item.

Shareholders who individually or jointly own 5% of the total number of shares may request in writing to propose adoption of a decision on each of the points included or to be included in the agenda.

The request for inclusion of additional items to the Agenda of the Assembly that has already been convened and/or the proposal of decisions for adoption shall be sent to the Company, within 8 days from the date of publishing of the public invitation for attendance at the Assembly.

The request for inclusion of items to the agenda may be declined only in cases determined by the law.

The request for inclusion of one or more items to the Agenda shall be published in the same manner as the public announcement was published, no later than eight days prior to the day of holding the assembly.

### **Article 23**

Each Shareholder wishing to attend an Assembly meeting must register his/her attendance before such meeting is held.

Shareholders may authorize a proxy by giving a power of attorney in written form, without the obligation to notarize the power of attorney, and they are obliged to inform the Company in writing about the appointment of their proxy. A shareholder who fails to notify the Company of the given power of attorney shall be deemed not to have given the same.

The Board of Directors composes a list of the registered Shareholders to attend the Assembly of Shareholders and compares such list with the Book of Shareholders issued 48 hours before the hour of start of the Assembly.

### **Article 24**

Before the first vote in the Assembly starts, the Shareholders are verifying their presence putting their signature on the list of present Shareholders. The list then shall be verified by the Chairman of the Assembly and the verifier of the list.

Only verified Shareholders constitute the quorum on the Assembly. Minimum quorum needed is one represented share more than the half of the total number of ordinary shares with voting rights.

### **Article 25**

If there is no quorum for the operation of the Assembly, the same may not start its operation.

In such case, a new date is fixed for holding the Assembly (rescheduled Assembly) within 15 days from the date of the originally scheduled Assembly that did not have quorum for operation.

The new date for holding the rescheduled Assembly shall be announced in the same manner as the announcement made for the Assembly that did not have quorum for work.

The attendance of the shareholders at the rescheduled Assembly shall not be reported again.

Prior to starting of the rescheduled Assembly, a list shall be signed by each attendant, thus verifying his/her presence.

At such re-scheduled Assembly decision may be made only on issues placed on the Agenda of the first convened Assembly regardless of the number of present shareholders and the number of shares owned by them.

If quorum is not provided due to force majeure, the Assembly shall be postponed until elimination of the case of force majeure.

In compliance with the provisions of this Statute, force majeure shall be considered events in the registered seat of the Company of a larger scale, such as war, flood, earthquake, epidemics, border closings, strikes in land and air traffic, interruptions on roads, road traffic accident, etc., as well as force majeure events as described above that occur in the seat of the shareholding companies and in the residence of the representatives of the shareholding companies including any other objective circumstances whatsoever.

Notification of the Assembly about force majeure events in accordance with the prior paragraph shall be made in any manner whatsoever which would prove its credibility with a great certainty.

At the rescheduled Assembly no decisions may be made on issues, for which, according to the Law in subject, a bigger majority than the majority of the quorum subject of paragraph 1 of this Article is required.

### **Article 26**

The Assembly shall be opened and presided over by the Chairman of the Assembly elected on the last Assembly.

The Chairman shall be elected from the shareholders present at the Assembly's meeting.

New Chairman of the Assembly shall be elected for each meeting of the Assembly and his/her mandate lasts until the appointment of a chairman for the next Assembly.

### **Article 27**

The Chairman of the Assembly shall have the following duties:

1. To open the meeting of the Assembly;
2. To examine and establish whether all conditions for participation and voting by the Shareholders are met;
3. To sign the list of the present Shareholders in the Assembly;
4. To preside over the meeting of the Assembly and to keep the order during the Assembly;
5. To establish quorum before voting;
6. To establish the voting results;
7. To pronounce the Assembly' meeting as closed;
8. To sign the decisions adopted by the Assembly;
9. To sign the minutes of the Assembly.

### **Article 28**

All decisions of the Assembly shall be adopted by majority of votes from the present shareholders, except those for which the Law or this Statute provide for a bigger majority, such as:

- (increase/decrease of the share capital, by two third majority of shares with voting right represented at the Assembly;
- termination of the Company, with three fourth majority of shares with a voting right represented at the Assembly;
- amendments or appendices of the Articles, with two third majority of shares with a voting right, represented at the Assembly;
- issue of shares, with two third majority of shares with a voting right, represented at the Assembly;
- approval of the case "conflict of interests", with two third majority of shares with a voting right, represented at the Assembly;
- approval of the request of an executive member of the Board of Directors, with two third majority of shares with a voting right, represented at the Assembly;
- decision for transformation of the Company from one into another form, with two third majority of shares with a voting right, represented at the Assembly.

The voting shall be carried out by public voting, except when voting for appointment or recalling of members of the Board of Directors, which is conducted by secret voting. Upon request of one or more shareholders who have at least 1/10 of the total number of votes, a secret vote shall be conducted, in a manner and procedure stipulated by Law.

### **Article 29**

Before start of the first voting, the Chairman announces the rules of conduct and order during the Assembly. The Chairman may decide to reduce the time for discussion, but the reduction must still allow reasonable time for discussion.

Upon request of at least 1/10 of the verified Shareholders, the Assembly shall decide for the reduction of the time for discussions as well as for any other rule announced by the Chairman.

### **Article 30**

If there is an interruption of a meeting of the Assembly that has started its operation, the present shareholders may decide that the Assembly continues its work at a time and place established with majority of votes of the Assembly's quorum.

If there is an interruption of a meeting of the Assembly that has started its work and no decision has been made for continuation of its work, the Chairman shall determine the time and place for continuation of the started meeting.

The presence at the continued meeting shall not be announced, however, the attending shareholders shall register their presence in the list of registered and attending shareholders.



If at a proposed Assembly's meeting there is no quorum for work or if such meeting is not held within the term set forth under paragraph 1 herein, a new meeting will be scheduled according to the conditions, manner and procedure set forth under the Law and the present Statute.

The Decisions adopted at an Assembly which after its commencement has interrupted its work, regardless of whether or not it will continue to work again, shall be considered as effective. The Assembly, at a meeting at which it continues its work, shall discuss and make decisions only under items which had not been discussed at and under which no decisions had been made.

#### **Article 31**

For the work of the Assembly the Minutes shall be prepared by the Minutes keeper and verifier of the Minutes.

Minutes shall be prepared 8 (eight) days after the finishing of the Assembly the latest and they shall be made available to the Shareholders.

The Minutes shall be taken by a Notary Public if the Assembly decides about changes of:

- the firm and the seat of the Company;
- the subject of its operation;
- the amount of the share capital and the number of shares;
- election of members of the Board of Directors.

When the Minutes are taken by a Notary Public, the Minutes shall be prepared within three days from the date of holding of the Assembly and the same shall be signed by the notary public and the Chairman of the Assembly.

A copy of the Minutes shall be submitted by the notary public who took the Minutes.

The Minutes along with the attachments shall be kept for at least ten years.

#### **Article 32**

Decisions made by the Assembly shall enter into effect at the day when they have been adopted provided such effect is not postponed for a certain time.

### **IX. MANAGEMENT**

#### **a) Board of Directors**

##### **Article 33**

The Company shall be managed by the Board of Directors within the frames of the law, the Statute and Decisions of the Assembly.

The members of the Board of Directors shall be elected by the Shareholders Assembly with majority of votes of the shares with a voting right in the quorum established for work of the Assembly.

Data of the candidates should be provided in writing and shall be made available to all shareholders.

The application for registration in the Commercial Register shall be signed by the person authorized by the Board of Directors.

The Assembly may also revoke any or all members of the Board.

##### **Article 34**

The Board of Directors has widest powers of action on behalf and for account of the Company under all circumstances, except the powers expressly given only to the non-executive members of the Board.

The Board shall adopt its decisions with a simple majority of votes. The vote of the President of the Board shall be decisive in case of even splitting of the votes.

The Board may hold the meetings also through video-telephone and may make decisions without holding meetings, according to the rules provided by the Companies' Act.

### **Article 35**

The Board shall consist of 6 (six) members. The mandate of the members shall last 5 (five) years with a possibility to be re-elected.

Five members shall be non-executive members and one shall be executive member.

Two of the non-executive members shall be independent members of the Board.

### **Article 36**

The members of the Board of Directors shall elect the President of the Board from their non-executive members.

President of the Board has all the organizational powers within the Board, calls and chairs the meetings and signs the decisions.

In his absence, the function of the President of the Board shall be carried out by other non-executive member, elected also by the Board of Directors by majority of votes.

The members of the Board may recall the President at any time.

### **Article 37**

The Board of Directors elects the Chief Executive Director.

The Chief Executive Director shall represent the company in front of any third person.

The Chief Executive Director shall have the widest power to do the activities connected with the daily management, as follows:

1. Implementation of the decisions of the Board of Directors;
2. Proposing the draft-organizational structure of the Company and the Budget;
3. Appointment of directors for the date-to-date operations of the Company;
4. Making decisions for development of the existing organizational scheme;
5. Making decisions for opening new jobs within the existing scheme;
6. Making decisions for creating Commissions on assets and assets sources inventories, arranges inventory implementation, and makes decision on adopting the inventory elaborate;
7. Representing the Company;
8. Signing annual accounts and financial statements;
9. Rewarding the employees of the Company in accordance with a previously established reward methodology;
10. Appointing and discharging members of the committees and the work groups;
11. Pronouncement of punitive measures to the employees for violating the order and the obligations of their labor relation;
12. Responsibility for relations with employees and making decisions regarding all issues related to the labor relation of the employees under the Law, the Collective Agreement and the other acts of the Company;
13. Signing the Collective Agreement with the Labor Union;
14. Deciding on engagement of external persons or contractors in accordance with the Company's needs;
15. Deciding for investment, sale, amortization, rent or write-off of the fixed assets of the company in amount up to 1.000.000 Euros of the book value of the share capital of the company;
16. As well as other obligations provided by Law, the decisions of the Assembly and/or the Board of Directors and the Statute.

The rights, powers and obligations of the Chief Executive Director shall be defined with the Contract signed with the President of the Board.

Chief Executive Director may be recalled by the Assembly at any time.

Chief Executive Director may be recalled by the Board of Directors at any time.

In such case, his post will be suspended until the next Assembly decides for such recalling. During the time of suspension, the Board of Directors shall appoint new member to act as a Chief Executive Director.

#### **Article 38**

The Chief Executive Director, for the purpose of exercising the powers defined by Law and by this Statute, may appoint managing persons that will perform the daily managing of the Company's operation in accordance with his/her decisions, guidelines and orders.

#### **Article 39**

The non-executive members of the Board perform supervision over the management and the work of the Chief Executive Director, and are entitled to make a review and control of the books and documents of the Company and over the Company's property.

#### **Article 40**

In general, members of the Board of Directors are equal in the rights and obligations for the duties they are performing.

However, principle of equality does not exclude individual responsibility for the performance of each of the members.

The Board of Directors may issue special decision defining different type of obligations and responsibility of each of the members.

#### **Article 41**

The Board's members shall not, without an approval by the Board:

- for their own or for other's account perform works that belong to the subject of the operation of the Company;
- perform another activity or activity in another company, of same or similar subject of operation, paid or unpaid, for their own account or for account of another party;
- be member of a managing board or controller in another company that has the same or similar subject of operation as their Company; and
- in premises of the Company perform work for own or other's account.

#### **Article 42**

On the first session of the Board of Directors, the Board adopts the Rules for work of the Board.

The Board shall convene at least 4 (four) times a year.

The Executive member of the Board shall submit at least 4 (four) quarterly reports to the Board for the work and financial standings of the Company.

On the request of one or more non-executive members, the Executive member of the Board shall prepare and submit special reports connected with the work and operations of the company.

#### **Article 43**

The Assembly decides about the remuneration of each member of the Board. Receiving of remuneration is individual. Member of the Board may refuse to receive remuneration with a written Statement.

#### **Article 44**

The Board of Directors, in particular, has the following powers:

1. Adopts the Company's business plan and budget;
2. Adopts the Act for internal organization of the Company;
3. Adopts the Company's general acts;
4. Manages the Company in its operations and determines the business policy;
5. Acts on behalf of the Company under any circumstances;
6. Sets forth the guidelines for the Company's operations and development;
7. Determines the authorized signatories of the contracts and Company's accounts;
8. Decides for investment, sale, amortization, rent or write-off of the fixed assets of the Company in amount from 1.000.000 Euros up to 50% of the book value of the share capital of the company;

9. Decides for closing (transfer) part of the company;
10. Decides for decreasing or increasing the Company's business activities;
11. Decides for establishment or termination of long-term cooperation with other entities or persons;
12. Decides for establishment of a company, representative office or subsidiary;
13. Adopts the balance sheet, financial statements and the annual report on the Company's business operations in the previous year and it delivers them to the Shareholders Assembly;
14. Prepares and proposes acts for the Assembly of Shareholders;
15. Convenes the Assembly;
16. Implements the decisions of the Assembly of Shareholders;
17. Elects the President of the Board;
18. Nominates the Company's Chief executive director;
19. Adopts decisions for granting or taking loans;
20. Makes decisions in relation to issues concerning second instance employment relations;
21. Makes decisions in respect to Trade Union's applications and requests;
22. Adopts employees' reward methodology;
23. Appoints and recalls members in the committees and in other bodies;
24. Reviews the Report on the Company's operations and its financial standing that the Chief Executive Director is required to submit on quarterly basis.

The Board of Directors may decide to transfer part of these Powers to the Chief Executive Director, except the Powers which in the Companies Act are specified as non-transferable.

The Board may not assign the following powers:

1. Closing (termination) or assignment of a company or its part which revenues are over 10% of the Company's revenues;
2. Reduction or expansion of the Company's activity;
3. Substantial internal organization changes of the Company determined by an act of the Company;
4. Establishing a long-term cooperation with other companies of substantial significance for the Company or its termination;
5. Establishing or termination of companies participating with over one tenth in the share capital;
6. Foundation and termination of subsidiaries.

#### **Article 45**

Member of the Board may resign at any time with submission of notarized written statement of resignation.

The Board of Directors shall accept the resignation without discussion.

If some members of the Board of Directors discontinue performing their functions during their term of office or are prevented to do so, the other members shall continue their work until the filling of the vacancy.

If the number of members of the Board of Directors is reduced under the number determined by the Statute, but not lower than the minimum number provided by law, the Board, may, within 90 days from the date of discontinuance of the member's function, fill the vacancy by appointing an interim member of the Board of Directors until the next Assembly.

The adopted decisions and the actions taken by the Board shall remain effective.

If the number of the Board members is reduced under the number provided by law i.e. under three members, the other members must convene an assembly within three days for the sake of completing the Board's members.

If the Assembly has not been convened by the Board, then the non-executive members of the Board shall convene an Assembly, within three days from the expiration of the previous term.

Member of the Board of directors shall exercise the powers given to him/her by law or by the present Statute, in the best interest of the Company and in the interest of the Shareholders with a diligence of a tidy and mindful merchant and may not be represented by another individual in the Board's work.

## **X. FIXED ASSETS LEDGER, ANNUAL ACCOUNTS AND FINANCIAL STATEMENTS**

### **a) Accounting register**

#### **Article 46**

The Company is obliged to keep fixed assets ledger and to submit annual accounts in a manner defined in the Law and the Accounting regulations.

The Company is obliged to prepare and submit financial statements in line with the adopted International Accounting Standards.

### **b) Bookkeeping**

#### **Article 47**

In accordance with the proper accounts keeping principles, the Company shall keep books in a manner that allows transparency of all commercial-legal affairs, balances, liabilities, share capital, incomes and expenditure. The books should clearly indicate the manner of commencement, keeping and completion of all commercial transactions of the Company.

Ledgers are to be kept upon double-entry bookkeeping system.

Ledgers are to be kept in Macedonian language, with Arabic figures and denar values based on authentic accounting documents.

### **c) Inventory and balance settlement**

#### **Article 48**

The Company must make a detailed inventory of its assets, by stating the value of each part thereof, for each business year, that is, one calendar year.

Tangible assets balance is to be settled in terms of accounting on an annual basis, stating the actual financial position based on the inventory as of December 31<sup>st</sup>.

#### **Article 49**

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

Ledgers are kept for minimum ten years as from the year they refer to.

Accounting documents are to be kept for minimum five years as from the year they were used for bookkeeping preparation, except for salary calculation documents which are kept permanently.

### **d) Annual accounts and financial statements**

#### **Article 50**

The Company makes annual accounts and financial statements upon each lapsed business year.

The annual accounts include balance sheet and profit and loss account.

Financial statements include balance sheet and profit and loss account, report on changes of the share capital, cash flow report, applied accounting policies and other documents prepared in line with the International Accounting Standards.

#### **Article 51**

Deadline for preparation of the annual accounts and financial statements cannot be later than two months after each business year i.e. by February 28<sup>th</sup>. The Board of Directors adopts the annual accounts and the financial statements by the above date.

In addition to the annual accounts and financial statements, the Company may prepare financial statements for a period shorter than one business year.

The adopted annual accounts are delivered to the Central Register by the end of the next February.

The Board of Directors is obliged, upon each business year, to prepare Report on operations of the Company for the previous business year and to submit this Report for revision by the Annual Shareholders Assembly.

The Board of Directors delivers copy of the approved financial reports along with the Annual Report on Company's Operation to the Central Register thirty days upon their approval, however, not later than June 30<sup>th</sup>.

Data from the annual accounts and the financial statements are public and available to all persons in a manner and procedure stipulated by the Law.

#### **e) Audit**

##### **Article 52**

Company's financial statements are subject to audits.

The audit is conducted by an authorized auditing institution selected by the shareholders on the Annual Assembly.

The Company should allow the auditing institution to freely perform its duties.

The authorized auditor submits Audit Report.

##### **Article 53**

The Chief Executive Director submits the Audit Report to the Board of Directors with a draft-decision for profit allocation.

The Board of Directors shall make control of the annual accounts, financial statements and the draft-decision for profit allocation and then submit a written report to the Shareholders Assembly for adoption.

#### **f) Profit**

##### **Article 54**

Shareholders Assembly approves the annual accounts and the financial statements and decides upon profit allocation.

Each individual profit allocation is to be defined in the Decision on profit allocation.

Profits may be allocated to:

- Amounts for loss recovery from previous years, if applicable;
- Amounts included in the legal and statutory reserves of the Company;
- Dividend payment amounts;
- Extra expenditures based on the Decision for eventual profit transfer into next year;
- Profit amount which shall be used for Company's share capital increase;
- Investment amount.

#### **g) Obligatory and statutory reserve**

##### **Article 55**

The Company shall have obligatory common reserve, as a general reserve fund formed by way of taking from the net profit.

The amount of the obligatory common reserve should be 5% of the profit.

Earmarking of the obligatory reserve according to paragraph 2 of this article shall be up to the moment when the reserve of the Company amounts to 1/10 of the share capital of the Company.

In the event that the reserve formed in that way is decreased such shall be replenished in the same way.

The obligatory common reserve may be used to cover loss.

When the general reserve exceeds the smallest amount and upon coverage of all losses according to the annual balance sheet the Assembly may decide that the surplus is used to replenish the dividend.

##### **Article 56**

The Company may have special statutory reserves, which shall be formed by way of taking from the profits with the Decision of the Assembly.

The statutory reserves shall always be for a special purpose named in the Decision of the Assembly for establishment of statutory reserves.

The aim, organization, method of use as well as the amount of the statutory reserves for certain purposes shall be established under a decision passed by the Assembly.

A special report on the expended resources referred to in the previous paragraph shall be presented to the Assembly by the Board of Directors.

## **h) Dividend allocation**

### **Article 57**

Upon approval of the annual accounts and of financial statements as well as upon stating existence of profit to be allocated, Shareholders Assembly determines the profit portion to be distributed to the shareholders in form of dividend.

Assembly's Decision to approve dividend payment determines:

- Dividend amount
- Date of entering, according to which list of shareholders entitled to dividend is prepared
- Dividend payment plan.

Dividend is paid not later than nine months upon each business year.

### **Article 58**

Board of Directors may, in the course of the respective business year, based on three-month, six-month and nine-month financial statements verified by the authorized auditor, pay advance dividend to the shareholders.

Board of Directors may pay such advance dividend only up to the profit amount realized in the respective dividend period, thereby not exceeding the total profit amount realized in the previous year and approved with the annual accounts plus transferred not allocated profit from the previous year and the reserves eligible for such purpose, less the amounts allocated as legal reserves and statute-stipulated reserves for the advance dividend period, provided that losses from the prior years are not covered for any reason whatsoever by the last approved annual accounts and financial statements.

Advance dividend payment is subject to consent of all non-executive members of the Board of Directors.

## **XI. RIGHT ON INFORMATION AND KEEPING DOCUMENTS**

### **Article 59**

Each Shareholder has a right to be informed about the operations of the Company.

Upon the request of one or more Shareholders, one of the members of the Board or the person authorized by the member of the Board shall make the documents, which the Company is obliged to keep according to the Law on Trade Companies, available for review within 3 (three) days from the day of receiving of the request. The review shall be conducted in the room dedicated for this purpose within the premises of the company.

Upon demand of one or more Shareholders, a non-executive member shall give information connected with the Minutes and the Decisions adopted by the Board of directors.

The Company may decide to put some, more or all the documents stipulated in paragraph 2 of this Article on Internet, on the official web site of the Company.

## **XII. FORMS AND METHODS OF PUBLISHING ENACTMENTS AND NOTIFICATION OF SHAREHOLDERS**

### **Article 60**

The bodies of the Company shall provide regular, timely, complete and accessible information to Shareholders about the work of the Company in compliance with the Law on Trade Companies.

The Company shall make announcements using all the existing means for publishing of information, including publishing Board, daily newspaper, Internet, radio and TV.

### **XIII. BUSINESS SECRET AND NON-COMPETITION**

#### **Article 61**

Management, Shareholders and employees in the Company are forbidden to use the confidential business information of the Company out of their work, status or function. The confidential information may not be used except for the purpose of conducting the job or function for the interest of the Company.

The confidential business information (business secret) is any information not known to the public, which the Board of Directors shall note as confidential, or which, without prejudice of the circumstances of revealing, had to be treated as confidential, without difference of how the confidential information became available to the Member of management body, Shareholder or employee.

#### **Article 62**

The members of the Board of Directors shall keep as business secret all notifications and data pertaining to the work of the Company which have been received as confidential, including data and documentation for new products and marketing strategies for introduction of these new products.

This obligation shall exist and be valid for a period of 5 years upon cessation of the membership in the Board of Directors.

#### **Article 63**

Unauthorized revealing of business secret shall represent serious violation of the work-related obligation which may result in termination of employment, relief from duty and shall constitute basis for court compensation.

Revealing papers and data considered business secret at meetings of the Assembly or the Board of Directors of the Company shall not be construed as violation of the obligation to keep the business secret if such revealing is necessary to perform their rights and obligations.

Any employee of the Company who shall reveal such data to the Assembly or the Board of Directors shall warn those present at the meeting that such data and papers are considered to be business secret and those present shall keep as business secret what shall have been found out.

#### **Article 64**

Any member of the Board of Directors shall be banned from performing any activity or being a member of any body with other Company having similar subject or scope of work, paid or not, for his own account or for account of other person without previously been given consent by the Board of Directors.

The Assembly of the Company shall be notified about given consents.

In the event that a member of the Board of Directors violates the ban referred to in paragraph 1 of this Article, the Company may claim damages.

Instead of what was stated under the previous paragraph, the Company shall be entitled to require from the member of the Board of Directors works done for his account to be transferred for the account of the Company and the recompense for the works done for account of others to be handed over or to assign his right to recompense.

#### **Article 65**

Any Contract in which the Company is one of the parties and in which any member of the Board of Directors has any interest, even indirectly, shall be subject to approval by the Board of Directors, or the Assembly.

For each agreement or another business activity of the Company, in which the Company is a party, and in which, a member of the Board of Directors, the managers or a person having power to give instructions to the Company that are obligatory, have interest even in an indirect way must inform the Board of Directors.

The persons stated in the previous paragraph shall be considered as interested parties for conclusion of any agreement or business activity with the Company.

Interested parties of the previous paragraph shall be the representative, the spouse, the parents,



the children, brothers, sisters, adopted children or any person associated with the persons stipulated under paragraphs 1 & 2 of this Article.

If a member or interested member of the Board of Directors finds out that some of the conditions of paragraph 1 of this Article have been fulfilled, then he/she shall immediately inform the Board of Directors. The interested member is entitled to be interrogated, but may not attend the discussion or the decision-making regarding the agreement or another legal matter or in making a decision for giving the approval.

The employees of the Company that directly or indirectly appear as interested parties pursuant to paragraph 3 of this Article in the business relations with the Company, have an obligation to inform the Chief Executive Director.

The Chief Executive Director shall, at his discretion, interrogate the employee or the interested person.

The Assembly of the Company shall be informed in the next meeting about consents given according to paragraphs 1 and 2 of this Article.

Non-existence of consent issued by the Board of Directors or irregularity of the decision based on which a consent is given, shall not be produced against third persons, except when the Company proves that the third person knew about the nonexistence of consent or about the irregularity of the decision, or taking into consideration all the circumstances, could not but know about it.

#### **XIV. RECORDS OF THE BODIES**

##### **Article 66**

Records shall be kept on the work of the bodies of the Company.

Records shall be kept by a Recording Secretary by way of taking notes.

The record, upon been signed by the authorized signatories, along with prepared decisions in writing, conclusions and other enactments, shall be submitted to the persons in charge of execution. One copy shall be kept by the recording secretary and one copy shall be filed in Archives.

#### **XV. VALIDITY AND DISSOLUTION OF THE COMPANY**

##### **Article 67**

The Company shall be dissolved under the decision of the Assembly.

The decision on dissolution of the Company shall be passed by the Assembly by  $\frac{3}{4}$  majority of the share capital represented at the assembly of the Company when the decision is being passed.

According to the decision of the Assembly a liquidation procedure shall be enforced.

##### **Article 68**

The Company shall be dissolved:

1. Under enforceable court decision defining that the registration of the Company in the Trade Register was illegal;
2. By joining another Company and by merger of the Company with other Company;
3. Under enforceable court decision not accepting enforcement of bankruptcy proceedings because of lack of resources to cover costs of the proceedings;
4. Enforcement of bankruptcy proceedings;
5. By Decision of Company's Shareholders Assembly.

##### **Article 69**

The remainder of the bankrupt estate of the Company shall be distributed to the Shareholders proportionally to the number of shares they have.

#### **XVI. PASSING STATUTORY CHANGES**

##### **Article 70**

The present Statute shall be adopted at a meeting of the Assembly by  $\frac{3}{4}$  majority of votes of the share principal represented at the Assembly of the Company when such decision is adopted.

The Company's Statute is signed by the Chairman of the Shareholders Assembly.  
Modifications and amendments to the present Statute are made in the same procedure as when the Statute are adopted.

**XVII. TRANSITORY AND FINAL PROVISIONS**

Article 71

For any issues not regulated by this Statute, the provisions of the legislation referring to the specific matter shall apply.

Article 72

This Statute comes into force on the date of its making.

**SHAREHOLDERS ASSEMBLY**

**CHAIRMAN**  
**Micevski Angele**

