

**JOINT STOCK COMPANY FOR PRODUCTION OF BRAKE EQUIPMENT
WABTEC MZT AD Skopje**

**STATUTE
(consolidated text)**

Skopje, August 2024

On the basis of Article 287 of the Law on Trade Companies (Official Gazette No. 28/04 and all subsequent amendments and supplements), Article 156 of the Statute of the Joint Stock Company for Production of Brake Equipment WABTEC MZT AD Skopje (the "Company"), and the statutory decision for amendment of the Statute of the Company adopted at the General Meeting of Shareholders of the Company held on 5 August 2024, the Board of Directors, represented by Pasko Boshko as executive member of the Board of Directors and General Director of WABTEC MZT AD Skopje, adopted the following:

STATUTE
of WABTEC MZT AD Skopje
(consolidated text)

I. GENERAL PROVISIONS

Article 1

Joint-Stock Company for the Production of Braking Equipment WABTEC MZT Skopje is a commercial company in which the shareholders participate with contributions to the share capital, which is divided into shares (hereinafter: the "Company"). It was established by the Programme and the Decision on the manner of implementation of the transformation of MZT HEPOS D.O.O. – Skopje, in accordance with the Law on Restructuring of a Portion of Enterprises that in their operations incurred losses. The Joint-Stock Company for the Production of Braking Equipment WABTEC MZT Skopje is the legal successor of POLI-MZT AD Skopje.

Article 2

The Company carried out the transformation of the social capital of the enterprise MZT HEPOS through a combination of the following models: Conversion of creditors' claims into a permanent contribution and Sale to persons assuming the management of the enterprise (Decision No. 02-07/75 dated 11.12.1995).

Article 3

The Company is a legal entity with rights, obligations and liabilities determined by law and this Statute.

Article 4

The Company is established for an indefinite period.

The Company may cease its operations under conditions determined by law and this Statute.

II. COMPANY NAME AND REGISTERED OFFICE

Article 5

The name of the Company is:

Joint Stock Company for Production of Brake Equipment WABTEC MZT Skopje.

The abbreviated name of the Company is: WABTEC MZT AD Skopje.

Article 6

The Company shall have a seal and a stamp.

The Company seal shall be circular in form. The seal shall contain the words: Joint Stock Company for Production of Brake Equipment WABTEC MZT Skopje.

The centre of the seal shall contain the logo of the Wabtec Group.

The number and manner of use, record-keeping, and their destruction shall be regulated by a rulebook adopted by the Board of Directors.

The stamp shall be rectangular in form, bearing the company name, with space provided for entering the reference number and the date of issuance of the document.

The seal and the stamp shall be used on all general and individual acts, as well as in the Company's correspondence.

Article 7

The registered office of the Company is in Skopje, No. 124, Pero Nakov Street.

Article 8

The General Meeting of the Company shall decide on changes to the company name, registered office and other significant matters, upon proposal of the Board of Directors.

By the decision for changing the company name and the registered office, a decision shall simultaneously be adopted on the new company name, registered office, and, as applicable, the company's emblem.

III. BUSINESS ACTIVITIES OF THE COMPANY

Article 9

The Company's scope of activities comprises the following:

The principal activity of the Company is:

30.20 - Manufacture of railway locomotives and rolling stock

In addition to its principal activity, the Company shall also perform the following activities in accordance with the National Classification of Activities:

- 25 Manufacture of rubber and plastic products
- 25.1 - Manufacture of rubber products;
- 28 - Manufacture of fabricated metal products, except machinery and equipment;
- 28.1 - Manufacture of structural metal products;
- 28.2 - Manufacture of tanks, reservoirs and containers of metal;
- 28.4 - Manufacture of central heating radiators and boilers;
- 28.5 - Forging, pressing, drawing and rolling; powder metallurgy;
- 28.6 - Treatment and coating of metals; general mechanical engineering;
- 28.6 - Manufacture of cutlery, tools and general hardware;
- 28.7 - Manufacture of other fabricated metal products;

- 29 Manufacture of machinery and equipment, not elsewhere classified
- 29.1 - Manufacture of machinery for the production and use of mechanical power, except aircraft, vehicle and motorcycle engines;
- 29.2 - Manufacture of other general-purpose machinery;
- 29.5 - Manufacture of other special-purpose machinery;

- 31 - Manufacture of electrical machinery and apparatus, not elsewhere classified
- 31.6 - Manufacture of other electrical equipment, not elsewhere classified;
- 34 - Manufacture of motor vehicles, trailers and semi-trailers
- 34.3 - Manufacture of parts and accessories for motor vehicles and their engines;

- 36 - Manufacture of furniture and other miscellaneous products, not elsewhere classified
- 36.1 - Manufacture of furniture;

- 36.4 - Manufacture of miscellaneous products;
- 36.6 - Other manufacture of miscellaneous articles, not elsewhere classified;

- 51 Wholesale trade and commission trade, except of motor vehicles and motorcycles;

- 51.5 - Wholesale of raw materials, waste and scrap;
- 51.6 - Wholesale of machinery, equipment and supplies

- 70 - Real estate activities
- 70.2 - Leasing of own real estate;

- 72 - Computer and related activities
- 72.1 - Hardware consultancy;
- 72.2 - Software consultancy and supply;
- 72.4 - Database activities;
- 72.6 Other computer-related activities

- 73 - Research and development
- 73.1 - Research and experimental development in natural sciences and engineering;

- 74 - Other business activities
- 74.1 - Legal, accounting, bookkeeping and auditing activities; tax consultancy; market and public opinion research; business and management consultancy activities; holding activities (except 74.11 – Legal activities and 74.15 – Activities of holding companies);
- 74.2 - Architectural and engineering activities and related technical consultancy;
- 74.3 - Technical testing and analysis;
- 74.8 - Miscellaneous business activities, not elsewhere classified.

In foreign trade operations, the Company shall perform the following activities:

- Foreign trade in food products;
- Foreign trade in non-food products;
- International freight forwarding;
- Intermediation;
- Commission activities in the field of foreign trade;
- Conducting small cross-border trade in goods and services with Greece, Serbia, Montenegro and Albania;
- Re-export;
- Export/import of all types of investment works abroad;
- Performance of all intermediation activities in foreign trade operations;
- Conducting foreign trade activities relating to the conclusion of agreements in the field of international economic relations, including contracts for licences, cooperation and similar arrangements.

Article 10

Decisions on changes to the Company's business activities, including expansion, restriction or modification of the registered activities or the overall scope of activities of the Company, shall be adopted by the Board of Directors.

For decisions referred to in paragraph 1 of this Article concerning core business activities, the Board of Directors shall notify the General Meeting of the Company.

IV. INTERNAL ORGANISATION OF THE COMPANY

Article 11

For the purpose of achieving optimal business results, and in accordance with the nature of the business process and working conditions, the internal organisation of the Company shall be structured into sectors, departments and groups.

The internal organisation of the Company shall be determined by a separate decision adopted by the Board of Directors upon proposal of the Executive Director – General Director.

The sectors shall be managed by Sector Directors.

Sector Directors shall have the status of persons with special powers (hereinafter: managerial personnel).

The rights and obligations arising from the employment relationship of a managerial person who, prior to appointment, was employed by the Company, as determined by the employment contract, shall be suspended. Such suspension shall commence on the date of appointment of that person.

Managerial personnel shall exercise their rights and obligations arising from the employment relationship in accordance with the conditions set out in the agreement regulating the relationship between the management body and the managerial person (hereinafter: agreement regulating relations with managerial personnel).

Such agreement shall determine the salary, allowances, profit participation, reimbursement of expenses, life and other insurance, as well as other employment-related rights. The type and scope of total remuneration and other rights and obligations shall be determined in accordance with the duties and responsibilities entrusted to the managerial person and their contribution to the successful operation of the Company. The agreement shall be signed on behalf of the management body by the President of the Board of Directors.

Department Managers, as determined by a decision of the Board of Directors, shall also have the status of employees with special powers and responsibilities.

Article 12

Where the Company carries out any activity within its scope of business, it may do so through one or more branches.

A decision on the establishment of a branch shall be adopted by the Board of Directors in accordance with this Statute.

A branch shall not have legal personality.

All rights and obligations arising from a branch's operations shall be borne by the Company.

A branch shall operate under the Company's name, which shall mandatorily include an indication of its registered office and the designation "branch". The branch may, in addition, include its own name.

A branch shall cease to exist upon a decision of the Board of Directors on its termination.

V. SHARE CAPITAL AND SHARES

Article 13

The share capital and the shares shall be denominated in denars, with their equivalent value also expressed in EUR, calculated in accordance with the middle exchange rate of the National Bank of the Republic of North Macedonia on the date of the valuation of the Company, or on the date of adoption of the decision on the issuance of shares.

The share capital of the Company amounts to EUR 6,610,787.

Article 14

The share capital of the Company is divided into 129,295 shares.

The nominal value of one ordinary share amounts to EUR 51.13.

Article 15

According to the order of issuance, the ordinary shares referred to in Article 14 of this Statute shall constitute founding shares and shares issued in subsequent issuances.

Article 16

Each ordinary share shall confer the right to one vote at the General Meeting of the Company.

Article 17

A share shall represent a security evidencing ownership of the assets invested in the Company.

Shares shall be denominated in EUR and paid in cash, or in kind and in rights expressed in monetary value.

Article 18

Shares shall be indivisible vis-à-vis the Company.

Article 19

The increase of the share capital of the Company may be effected:

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

VI. INCREASE AND REDUCTION OF SHARE CAPITAL

1. Increase of Share Capital

Article 20

An increase of the share capital shall be effected by a resolution of the General Meeting on the increase of share capital. Such resolution shall have the legal effect of an amendment to the Statute.

Where newly issued shares are issued at an amount higher than their nominal value, the resolution on the increase of share capital shall specify the minimum issue price below which the shares may not be issued.

The resolution on the increase of share capital shall include details on the amount, method and date of the increase, the number, type and classes of shares, the monetary and non-monetary contributions on the basis of which the newly issued shares are subscribed, as well as other particulars prescribed by the Law on Trade Companies, depending on the applicable method of increasing the share capital.

The resolution on the increase of share capital shall be adopted by a majority of votes which shall not be less than two-thirds of the voting shares represented at the General Meeting.

Where there are multiple classes of shares, the resolution referred to in paragraph 1 of this Article shall be valid only if approved by the shareholders of each class of shares.

The approval by the shareholders of each class of shares shall be adopted by the same majority as that required for the resolution referred to in paragraph 1 of this Article.

Within eight days from the date of the increase of share capital, an application for registration of the increase shall be submitted to the Trade Register in accordance with the resolution on the increase of share capital.

Article 21

In the event of an increase of share capital, shareholders shall have pre-emptive rights to subscribe for newly issued shares in proportion to their participation in the share capital of the Company, irrespective of whether the newly issued shares are offered through a bank or another financial institution.

The pre-emptive right to subscribe for newly issued shares may, prior to subscription, be wholly or partially excluded only by a resolution on the increase of share capital, in accordance with the Statute, which must be published in the same manner as the notice convening the General Meeting.

The General Meeting may resolve to exclude the pre-emptive right to subscribe for newly issued shares only on the basis of a written report of the management body, stating the reasons for the restriction or exclusion and providing justification for the issue price of the shares. The resolution referred to in paragraph 2 of this Article shall be adopted by a majority of votes which shall not be less than three-quarters of the voting shares represented at the General Meeting.

2. Reduction of Share Capital

Article 22

The share capital may be reduced by:

- reducing the nominal value of one or more types or classes of shares;
- consolidating one or more shares, provided that the nominal value of the consolidated share shall not be less than EUR 1;
- cancelling treasury shares or other shares, where such cancellation results in a reduction of the share capital.

Following the reduction of the nominal value and number of shares, or the cancellation of treasury shares or other shares where such cancellation results in a reduction of the share capital, and upon registration and publication of the reduction in the Trade Register, the shares shall be annulled.

The share capital may not be reduced below the minimum amount prescribed by the Law on Trade Companies.

Should the Company reduce its share capital contrary to paragraph 3 of this Article, the resolution on the increase of share capital shall be null and void, unless, together with the resolution on the reduction of share capital, a resolution on the increase of share capital is adopted at least up to the minimum amount prescribed by the Law on Trade Companies.

Article 23

A reduction of the share capital shall be effected by a resolution on the reduction of share capital adopted by the General Meeting by a majority of votes which shall not be less than two-thirds of the voting shares represented at the General Meeting.

Where there are multiple classes of shares, the validity of such resolution shall require the consent of the shareholders of each class of shares, by a majority not lower than that prescribed in paragraph 1 of this Article. For the purpose of granting such consent, the shareholders of each class of shares shall adopt a separate resolution.

The resolution on the reduction of share capital shall specify the amount, purpose and method of implementation of the reduction. Where the reduction of share capital is effected for the purpose of returning part of the reduced capital to the shareholders, this shall be expressly stated in the resolution.

The notice convening the General Meeting at which the reduction of share capital is to be decided shall state the reason, purpose and method of the reduction.

Within eight days from the date of the effected reduction of share capital, an application for registration shall be submitted to the Trade Register.

For all other matters relating to the increase and reduction of share capital, the provisions of the Law on Trade Companies and the Law on Securities shall apply.

VII. STATUS, RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 24

Shareholders shall have equal status in the Company under equal conditions.

Any agreement concluded or other legal act undertaken by certain shareholders that infringes the rights and interests of other shareholders shall be null and void, unless all shareholders consent to such agreement or legal act.

Article 25

Shareholders shall have the right to participate in the distribution of profits, unless, pursuant to a resolution of the General Meeting on the allocation of profits adopted in accordance with the law and this Statute, the profit is not distributed among the shareholders.

The participation of shareholders in the profit shall be determined according to the type and class of shares.

Dividends for each type or class of shares shall be paid proportionately to the holders of that type or class of shares.

Prior to the dissolution of the Company, only profits arising from the income statement may be distributed to the shareholders.

Article 26

Ordinary shares shall confer upon shareholders:

- the right to vote at the General Meeting of the Company;
- the right to receive a share of the profits (dividend); and
- the right to receive a share of the residual assets of the Company in liquidation or bankruptcy proceedings.

Article 27

Shareholders shall have contribution obligations as determined by this Statute and shall not be liable for the obligations of the Company.

Article 28

Each shareholder of the Company, even if not participating in its management, shall have the right to be personally informed about the Company's operations, to inspect the Company's books and other documentation, and to prepare, for personal use, an overview of the Company's financial position, except for documents classified as business secrets, designated as such by an act of the Board of Directors.

Any provision of this Statute or any other act of the Company deviating from paragraph 1 of this Article shall be deemed null and void.

Article 29

A shareholder shall be obliged to pay to the Company the nominal value of the share, or a higher amount where the share is issued above nominal value, and to transfer any non-cash contribution where the share is acquired on the basis of such contribution.

The conditions for payment of shares subscribed but not paid shall be equal for all shareholders, according to the type and class of shares.

A shareholder may not set off claims against the Company against payments due for shares, nor may exercise any right of retention in respect of non-cash contributions.

The Company may neither defer payment obligations for certain shareholders nor release them from such obligations, nor may it accept, in lieu of payment, anything other than that provided for in this Statute. A non-cash contribution consisting of a claim shall be deemed contributed only once the Company has collected or otherwise assumed such claim. The Company shall be liable to the shareholder if it fails to exercise due care, as a prudent and diligent merchant, in collecting such claim.

Article 30

If a shareholder fails, for more than 60 (sixty) days, to make a due payment together with default interest and any agreed penalty, the Company may, without further notice, deprive the

shareholder of the rights attached to the share or provisional share. The Company shall notify the shareholder thereof by registered mail and record such deprivation in the share register.

Where a former shareholder remains in possession of a share or provisional share, the Company shall publish a notice that the rights attached thereto have ceased.

The Company may, within one month from the date of dispatch of the notice referred to in paragraph 1 of this Article, sell the shares or provisional shares held by the Company or deposited with an institution, on a stock exchange or by public auction, at the expense and risk of the shareholder.

After covering the costs of notification, publication and sale, as well as default interest and any agreed penalty, the remaining portion of the previously paid amounts shall belong to the Company.

In place of the shares in respect of which the rights have ceased within the meaning of paragraph 2 of this Article, the Company shall issue new shares and shall proceed in accordance with paragraphs 3 and 4 of this Article.

Article 31

A shareholder shall pay for the subscribed shares upon a call made by the Company's management body, in accordance with the terms of subscription. The call shall be effected by personal notice to the shareholders, unless otherwise provided by this Statute.

A shareholder who fails to make payment within the prescribed period shall be deprived of voting rights until full payment of the outstanding amount, including statutory default interest. Where the default relates to a non-cash contribution, the shareholder shall be liable to pay a contractual penalty in accordance with the agreement governing such contribution and this Statute.

A shareholder who, despite being granted an additional period, fails to fulfil the payment obligation within the prescribed period and under the agreed terms, shall forfeit the subscribed shares and shall be excluded from the Company. The exclusion shall be communicated to the shareholder in writing, by registered mail or personal delivery.

The shares of the excluded shareholder shall be sold by the Company on a stock exchange or other organised market. Such shares may be sold and realised in another manner only with the consent of the excluded shareholder.

Article 32

Where the Company sells the shares taken from the excluded shareholder:

- 1) below their nominal value, and the proceeds are insufficient to cover the unpaid portion of the contribution, as well as the costs and statutory default interest, the excluded shareholder shall be obliged to pay the difference to the Company;
- 2) at their nominal value, upon settlement of the costs and statutory default interest, the Company shall refund the previously paid amount, reduced by the costs and statutory default interest; and
- 3) above their nominal value, upon settlement of the costs and statutory default interest, the Company shall refund the previously paid amount, reduced by the costs and statutory default interest, up to the nominal value of the share, while the difference shall be retained by the Company.

The excluded shareholder shall also be obliged to pay a contractual penalty, where such penalty is stipulated in the public call, for failure to timely contribute a non-cash contribution. The payments referred to in paragraph (1) of this Article shall not exclude the liability of the excluded shareholder for any damage caused to the Company as a result of failure to make the required payment.

VIII. GENERAL MEETING OF THE COMPANY

Article 33

Shareholders shall exercise their rights in the Company at the General Meeting, unless otherwise provided by law.

Each shareholder entered in the share register shall, from the date of registration, be entitled to voting rights, unless otherwise provided by law. The right of participation shall also include the right to take part in discussions.

Members of the management body shall participate in the work of the General Meeting without voting rights, unless they are shareholders.

Article 34

Each shareholder may, by means of a power of attorney, appoint a proxy to represent them at the General Meeting (hereinafter: proxy).

The authorisation of the proxy referred to in paragraph 1 of this Article shall be granted by signing a written power of attorney certified by a notary public.

The following persons may not be appointed as proxy:

- a member of the Board of Directors of the Company or a member of their immediate family;
- a managerial person in the Company or a member of their immediate family;
- a member of the board of directors of affiliated or subsidiary companies of the Company;
- a legal representative or another authorised natural person of the Company or of another legal entity owned by the Company; and
- an employee or authorised auditor of the Company.

As a rule, the power of attorney shall be issued for a single General Meeting.

Where the power of attorney does not contain any limitation or instruction, the proxy may vote at their own discretion, while always taking into account the interests of the shareholder who granted the power of attorney.

The power of attorney may be revoked unilaterally, without stating reasons, by either the shareholder or the proxy, by delivering written notice to the other party. If the shareholder personally registers their presence at the General Meeting, the power of attorney for that meeting shall be deemed revoked, and the shareholder may exercise their voting rights personally without restriction.

The granting and revocation of the power of attorney shall be effected solely in accordance with the provisions of this Article.

Article 35

The General Meeting shall decide only on matters expressly determined by law and this Statute, and in particular on:

- 1) amendments to the Statute of the Company;
- 2) approval of the annual accounts, financial statements and the annual report on the operations of the Company for the previous financial year, and the allocation of profits;
- 3) election and dismissal of the members of the Board of Directors;
- 4) approval of the work and management of the Company by the members of the Board of Directors;
- 5) changes to the rights attached to specific types and classes of shares;
- 6) increase and reduction of the share capital of the Company;
- 7) issuance of shares and other securities;
- 8) appointment of an authorised auditor for the audit of the annual accounts and financial statements;
- 9) transformation of the Company into another form of company, as well as status changes of the Company; and
- 10) dissolution of the Company.

The General Meeting may not decide on matters relating to the management or conduct of the Company's business which fall within the competence of the Board of Directors, unless otherwise provided by law.

Article 36

The Annual General Meeting shall be convened by the Board of Directors no later than three months after the preparation of the annual accounts, the financial statements and the annual report

on the operations of the Company for the previous financial year, and in any event no later than six months after the end of the calendar year or 14 months after the holding of the last Annual General Meeting.

At the Annual General Meeting:

- 1) the annual accounts, financial statements and the annual report on the operations of the Company for the previous financial year shall be considered and adopted;
- 2) a decision shall be taken on the allocation of net profit or the covering of losses;
- 3) the performance of the members of the Board of Directors shall be approved; and
- 4) other matters may be considered, provided they are duly included on the agenda.

Article 37

Should the Board of Directors fail to convene the Annual General Meeting in due time, it shall, without delay, be convened by the non-executive members of the Board of Directors.

Should the Annual General Meeting not convene by the non-executive members of the Board of Directors, or if for any reason it is not held within the time limit prescribed in Article 36, paragraph 1 of this Statute, a decision to convene the Annual General Meeting may be adopted by the court upon a proposal by any shareholder.

Article 38

Where required by the interests of the Company and its shareholders, a General Meeting may be convened between two Annual General Meetings.

The Board of Directors, or the non-executive members thereof, may, by a majority of their members, on their own initiative or at the request of a shareholder, adopt a resolution to convene a General Meeting.

A request to convene a General Meeting may be submitted by shareholders holding at least one-tenth of the total voting shares. The written request shall state the purpose and reasons for convening the General Meeting and include the shareholder's full name, place of residence and personal identification number, or, where the shareholder is a legal entity, the company name, registered office and registration number. The request shall be accompanied by an extract from the share register issued by the Central Securities Depository, evidencing the number of voting shares held by the requesting shareholders.

The request shall be submitted to the Board of Directors at the Company's registered office and may be made in one or more documents signed by the requesting shareholders.

Within eight days of receipt, the Board of Directors shall adopt a decision to accept or reject the request. Any rejection shall be reasoned.

Where, upon a request submitted by shareholders holding a majority of the total voting shares, the management body fails to convene a General Meeting within 24 hours of submission, the shareholders may petition the competent court to convene the General Meeting.

Article 39

The General Meeting shall be convened by means of a public notice.

The public notice shall be published in a daily newspaper in the Macedonian language.

The period from the date of publication of the public notice for participation in the General Meeting until the date of holding the General Meeting shall not be longer than 30 days nor shorter than 21 days.

Article 40

The public notice convening the General Meeting shall contain the following information:

- 1) the company name and registered office of the Company;
- 2) the place and date of holding the General Meeting;
- 3) other procedural formalities prescribed by this Statute relevant for attendance at the General Meeting and the manner of voting;
- 4) the agenda of the General Meeting; and

5) the manner in which the materials for the General Meeting are made available.

The materials shall be made available to the shareholders from the date of publication of the public notice.

Article 41

The General Meeting may decide only on matters duly included in the agenda.

The General Meeting may deliberate, without the right to decide, on matters not duly included in the agenda.

Each shareholder shall have the right, at any time, to submit an initiative for the inclusion of items in the agenda of a General Meeting to be convened.

Shareholders who collectively hold at least 5% of the total number of voting shares may, in writing, request a supplement to the agenda by including one or more items in the agenda of a convened General Meeting and/or propose draft resolutions for adoption under each of the items included or to be included in the agenda of the General Meeting.

The request for inclusion of one or more items in the agenda of a convened General Meeting and/or the proposal of draft resolutions shall be submitted to the Board of Directors, or to the convener of the General Meeting, or, where applicable, to the court, in accordance with the law, within eight days from the date of publication of the public notice convening the General Meeting.

Article 42

A request for inclusion of one or more items in the agenda of a convened General Meeting may be rejected only in the following cases:

- 1) if the shareholder(s) have failed to comply with the time limit referred to in Article 41, paragraph 5;
- 2) if the shareholder(s) do not hold a sufficient number of shares, in accordance with Article 41, paragraph 4;
- 3) if the proposer does not meet other conditions prescribed by law and this Statute; or
- 4) if the item(s) proposed for inclusion in the agenda do not fall within the competence of the General Meeting or are not in accordance with the law and this Statute.

The request for inclusion of one or more items in the agenda of a convened General Meeting shall be published by the body that convened the General Meeting, or by the person appointed by the court to convene it, in the same manner as the public notice convening the General Meeting, no later than eight days prior to the date of its holding.

Article 43

Each shareholder intending to participate in a convened General Meeting shall be obliged to register their participation (registration for participation in the General Meeting) no later than prior to the commencement of the scheduled meeting.

The list of registered shareholders shall be prepared by the Board of Directors or by the person authorised to convene the General Meeting.

The list of registered shareholders referred to in paragraph 1 of this Article shall be made available for inspection at the registered office of the Company.

Prior to the commencement of the General Meeting, the Board of Directors, or the person authorised to convene the General Meeting, shall compare the list of registered shareholders with the status in the share register obtained from the Central Securities Depository 48 hours prior to the holding of the General Meeting.

Before the commencement of the General Meeting, each attending shareholder, or the proxy of a shareholder, shall sign the list referred to in paragraph 3 of this Article, thereby verifying their attendance at the General Meeting. The signed list shall be certified by the Chairperson of the General Meeting and the minute-taker. Upon certification of the list, the Chairperson shall confirm the quorum for conducting the meeting.

Article 44

The attendance register of shareholders shall include the full name or company name, address and registered office of each shareholder, or their representative, as well as the number of votes attached to the shares held by each shareholder.

The certified attendance register shall be made available for inspection to all participants in the General Meeting prior to the first vote. Each verified participant in the General Meeting may request a copy of the signed register at their own expense, which shall not exceed the actual cost.

Article 45

The General Meeting of the Company shall, as a rule, be held at the registered office of the Company, but may also be held at another location.

The venue of the General Meeting shall be determined by the Board of Directors.

Article 46

The General Meeting may validly conduct its business (quorum) if the meeting is attended by verified participants holding at least a majority of the total number of voting shares, unless a higher majority is prescribed by law or this Statute.

If the quorum referred to in paragraph 1 of this Article is not met, the General Meeting may not commence its proceedings. Within a period not exceeding 15 (fifteen) days from the date originally scheduled for the meeting that lacked quorum, a new date for holding the General Meeting (reconvened meeting) shall be scheduled and held within this period. The new date shall be published in the same manner as the notice convening the General Meeting that lacked quorum.

Article 47

Participation in the reconvened meeting shall not require a new registration. Prior to the commencement of the reconvened meeting, the attendance list shall be signed, whereby each participant verifies their presence at the meeting. The signed list shall be certified by the Chairperson of the General Meeting and the minute-taker. Upon certification of the list, the Chairperson shall confirm the presence of the registered shareholders or their proxies, and the quorum for conducting the meeting.

Each verified participant in the reconvened meeting may request a copy of the signed attendance list at their own expense.

At the reconvened meeting, decisions may be adopted only on the items included in the agenda of the initially convened meeting, irrespective of the number of shareholders present and the number of shares they hold. The reconvened meeting may not decide on matters which, in accordance with the Law on Trade Companies, require a higher majority than the quorum referred to in Article 46, paragraph 1 of this Statute.

Article 48

Any shareholder may request, at their own expense, to be provided with copies of all proposals relating to the items on the agenda of the General Meeting.

Shareholders may inspect, at the Company's premises, all lists prepared for the General Meeting.

Article 49

The resolutions of the General Meeting shall be adopted by a majority of the voting shares represented at the meeting, unless a higher majority or other conditions regarding the required majority for adopting resolutions are prescribed by law or this Statute.

Article 50

The General Meeting shall be chaired by a chairperson (hereinafter: the Chairperson of the General Meeting). The Chairperson shall determine the order of proceedings, maintain order at the meeting, and may establish rules governing the conduct of the meeting.

The Chairperson shall be elected for each individual General Meeting.

The mandate of the Chairperson shall last until the election of a chairperson at the next General Meeting to be held.

Any shareholder or a person representing a shareholder may be elected as Chairperson of the General Meeting. A member of the Board of Directors may not be elected as Chairperson of the General Meeting.

Article 51

If a commenced General Meeting is interrupted, the shareholders present may resolve to continue the meeting at a time and place determined by a majority of votes constituting the quorum, unless a higher majority is prescribed by this Statute. The adjournment shall not exceed eight days from the date of interruption.

If the General Meeting is interrupted and no decision on its continuation is adopted in accordance with paragraph 1 of this Article, the Chairperson of the General Meeting shall determine the time and place for continuation of the interrupted meeting, unless otherwise provided by this Statute.

Article 52

Participation in the continuation of an interrupted General Meeting shall not require re-registration. A shareholder who did not register participation in the interrupted meeting shall have the right to register participation prior to the commencement of the continued session, based on the status in the share register. At the beginning of the continued session, the list of registered shareholders or their proxies shall be signed again, whereby each participant verifies their attendance at the continuation of the interrupted meeting. The signed list shall again be certified by the Chairperson of the General Meeting and the minute-taker. Upon certification of the list, the Chairperson shall confirm the quorum for conducting the continued session of the meeting.

The certified list referred to in paragraph 1 of this Article shall be made available for inspection to all participants prior to the first vote. Each verified participant may request a copy of the signed list at their own expense.

If the continued session does not have a quorum or is not held within the period referred to in Article 51, paragraph 1, a new General Meeting shall be convened in accordance with the conditions, manner and procedure prescribed by law and this Statute.

Decisions adopted by a General Meeting prior to its interruption shall remain valid, regardless of whether the meeting is subsequently continued. At the continued session, the General Meeting shall deliberate and decide only on those agenda items that were not previously considered or decided upon.

Article 53

Voting rights shall be acquired upon full payment of the cash contribution or full transfer of the non-cash contribution.

Shareholders shall exercise their voting rights at the General Meeting in proportion to the nominal value of their shares, corresponding to the portion of the subscribed capital they represent.

Pledging of shares shall not affect the shareholder's voting rights.

In respect of shares owned by a minor or another legally incapacitated person, voting rights shall be exercised by the legal representative or guardian, either personally or through a proxy appointed by means of a written power of attorney certified by a notary public.

In respect of shares owned by a deceased person, until the completion of the probate proceedings, voting rights shall be exercised by a joint representative appointed by the heirs of the deceased by means of a written power of attorney certified by a notary public.

Article 54

The manner of voting shall be determined by the Chairperson of the General Meeting. At least one vote counter shall be appointed for the counting of votes.

As a rule, the General Meeting shall decide on all agenda items by open vote.

Upon request of one or more shareholders holding at least one-tenth of the total number of voting shares, voting shall be conducted by secret ballot.

Article 55

If, upon the request of one or more shareholders holding at least one-tenth of the total number of voting shares, voting is conducted by secret ballot, such voting shall be carried out in accordance with the provisions of the Law on Trade Companies.

Article 56

The General Meeting shall conduct its business in sessions.

Sessions shall be held at least once a year. A session may also be convened as necessary when required by the interests of the Company.

The General Meeting shall be opened by the Chairperson.

The Chairperson shall first determine whether a sufficient portion of the share capital is represented.

Without the consent of the majority, the Chairperson may not alter the order of the agenda items or remove any item from the agenda.

Article 57

Minutes of the General Meeting shall be kept and shall include the following information:

1. the company name and registered office of the Company;
2. the date, time and place of the meeting;
3. the name of the Chairperson of the General Meeting, the name of the minute-taker, and the names of the members of the voting committee or the vote counters, where appointed;
4. the agenda of the meeting;
5. the number of shareholders present, or their proxies, and the quorum for conducting the meeting;
6. a summary of the discussions held at the meeting;
7. significant events at the meeting, as well as proposals submitted;
8. the resolutions adopted, the number of votes "FOR" and "AGAINST", and the number of "ABSTAINED" votes; and
9. any reservations or objections expressed by a shareholder or a member of the management body in respect of a resolution, where such reservation or objection has been recorded.

The minute-taker and the certifiers of the minutes may not be members of the management body of the Company, nor the Chairperson of the General Meeting. The minutes shall be prepared no later than eight days from the date of the General Meeting and shall be signed by the minute-taker and the Chairperson of the General Meeting, and certified by the certifiers of the minutes.

Each shareholder may request the executive members of the Board of Directors to issue a copy of the minutes of the General Meeting at their own expense. Such expense shall not exceed the actual costs.

If the General Meeting decides on an amendment to data which, in accordance with Article 298 of the Law on Trade Companies, is subject to registration in the Trade Register, the minutes shall be taken by a notary public.

Where the minutes are taken by a notary public, they shall be prepared no later than three days from the date of the General Meeting and shall be signed by the notary public and the Chairperson of the General Meeting. Copies shall be issued, upon request of the shareholders, by the notary public who took the minutes.

The minutes, together with their annexes, shall be kept for a period of at least ten years.

Article 58

The provisions of the Law on Trade Companies shall apply to the nullity and contestation of resolutions of the General Meeting.

IX. MANAGEMENT AND GOVERNANCE OF THE COMPANY

Article 59

The management of the Company shall be organised under a one-tier system.
The Company shall have a Board of Directors.

Article 60

The Board of Directors shall consist of 5 (five) members.

The members of the Board of Directors shall be elected by the General Meeting.

Upon the election of the members of the Board of Directors, it shall be specified which member is elected as an independent member of the Board of Directors. The independent member shall be elected from among the non-executive members of the Board of Directors.

From among the elected members of the Board of Directors, the Board shall appoint 1 (one) executive member of the Board of Directors (hereinafter: the "General Director"). A member elected as an independent member of the Board of Directors may not be appointed as an executive member of the Board of Directors.

Article 61

Members of the Board of Directors may be natural persons with full legal capacity and legal entities.

Where a legal entity is elected as a member of the Board of Directors, it shall, immediately upon election, appoint a permanent representative with the same rights, obligations and responsibilities as the other non-executive members.

a) Members of the Board of Directors

Article 62

Members of the Board of Directors shall be elected by the General Meeting by a majority of votes of the shares with voting rights present within the quorum determined for the General Meeting in accordance with the law and this Statute.

Prior to the election of a member of the Board of Directors, the following information for each candidate shall be disclosed in writing: age, gender, education and other professional qualifications, work experience and the manner in which it was acquired, companies in which the candidate is or has been a member of a management or supervisory body, other significant positions held, the number of shares held in the Company and in other companies, as well as loans and other obligations towards the Company.

The information referred to in paragraph 2 of this Article shall be disclosed no later than seven days prior to the General Meeting at which the election is to take place, so that such information is available to each shareholder.

The resolution of the General Meeting on the election of the Board of Directors or of its members shall enter into force on the date of its adoption. The application for registration of the elected Board of Directors in the Trade Register shall be submitted by the person designated by the resolution of the General Meeting.

Article 63

The members of the Board of Directors shall be elected for a term of five years.

Members of the Board of Directors may be re-elected without limitation as to the number of terms.

Article 64

A non-executive member of the Board of Directors may not, at the same time, serve as a non-executive member on more than five boards of directors, nor as a member of more than five

supervisory boards of joint stock companies with registered offices in the Republic of North Macedonia.

An executive member of the Board of Directors may not be appointed as an executive member in other joint stock companies with registered offices in the Republic of North Macedonia, except in banks, insurance companies, and other companies where this is permitted by law.

Article 65

The Board of Directors shall elect a Chairperson from among its non-executive members by a majority vote of the total number of members of the Board of Directors.

The Board of Directors may dismiss the Chairperson at any time and elect a new Chairperson.

The Chairperson of the Board of Directors shall convene and preside over meetings, shall be responsible for maintaining records of meetings, and for organising their conduct.

If the Chairperson is, for any reason, unable to perform their duties or is absent, the meetings of the Board of Directors shall be chaired by another non-executive member, elected by a majority vote of the members of the Board of Directors present.

Article 66

If certain members of the Board of Directors cease to perform their functions during their term of office or are prevented from performing them, the remaining members of the Board of Directors shall continue to operate until the vacancy is filled.

If the number of members of the Board of Directors falls below the number prescribed by this Statute, but not below the minimum number prescribed by law, the Board of Directors may, within 90 days from the date on which a member's term ceased, fill the vacancy by appointing an acting member of the Board of Directors until the next General Meeting. The decisions adopted and legal actions undertaken by the Board of Directors shall remain valid.

If the number of members of the Board of Directors falls below the minimum number prescribed by law, the remaining members of the Board of Directors shall, within three days, convene a General Meeting to fill the vacancies. If the General Meeting is not convened within this period, it shall be convened by the non-executive members of the Board of Directors within three days following the expiry of the previous deadline.

If the Board of Directors fails to appoint an acting member, or if the remaining members of the Board of Directors fail to convene the General Meeting, or if the non-executive members fail to convene the General Meeting within the time limits referred to in paragraphs 2 and 3 of this Article, any person having a legal interest may submit a proposal to the court to designate a natural person who shall convene the General Meeting.

Article 67

Members of the Board of Directors, as well as members of their immediate families (spouses, parents and children), may not, without the approval of the Board of Directors:

- perform, on their own behalf or on behalf of others, activities falling within the scope of the Company's business;
- engage in activities or operations in another company with the same or similar business activity, whether paid or unpaid, on their own behalf or on behalf of another person;
- serve as members of a management body or supervisory board, or as controllers, in another company with the same or similar business activity as the Company; and
- perform activities on their own behalf or on behalf of others on the Company's premises.

Prior to the election of a natural person as a member of the Board of Directors, the candidate shall, in writing, inform the body of the Company authorised to elect them of all their activities and engagements in other companies, whether paid or unpaid, performed on their own behalf or on behalf of any other person.

The General Meeting shall be informed, at its next session, of any approval granted under paragraph 1 of this Article.

If a member of the Board of Directors acts contrary to the prohibitions set out in paragraph 1 of this Article, or conceals a relevant fact in the notification referred to in paragraph 2 of this Article, the Company may:

- claim compensation for damages; or
- require the member to assign to the Company the legal transaction concluded on their own behalf and to transfer to the Company any benefit arising from a transaction concluded on their own behalf or on behalf of others.

If the member of the Board of Directors fails to compensate the damage, or fails to assign to the Company the legal transaction concluded on their own behalf, or fails to transfer to the Company the benefit arising from a transaction concluded on their own behalf or on behalf of others, or fails to assign to the Company any claim arising therefrom, the remaining members of the Board of Directors and any shareholder may initiate legal proceedings to enforce the claims referred to in paragraph 4 of this Article.

The right to enforce the claims referred to in paragraph 4 of this Article shall become time-barred within ninety days from the date on which the non-executive members of the Board of Directors or a shareholder became aware of the act giving rise to the right to claim damages or the right to require the Company to assume the legal transaction concluded on its own behalf and to transfer the benefit arising from a transaction concluded on its own behalf or on behalf of others. Upon the expiry of five years from the date of the breach, the claims referred to in paragraph 4 of this Article may no longer be enforced.

b) Executive Member of the Board of Directors (General Director)

Article 68

The executive member of the Board of Directors shall be appointed by a unanimous decision of the members of the Board of Directors elected by the General Meeting, for a term of 5 (five) years, and shall hold the title of General Director.

If the Board of Directors has more than one executive member, the members of the Board of Directors shall, by a majority vote, determine which executive member shall represent the Company and who shall be specifically responsible for operational matters and related affairs.

An executive member of the Board of Directors may be dismissed by the Board of Directors at any time, by a majority vote, with or without cause. The dismissed executive member shall retain their status as a member of the Board of Directors until the next General Meeting, at which a decision shall be made on whether they are to be dismissed prior to the expiry of their term.

A dismissed executive member shall be entitled to claim compensation for damages, where so provided in the agreement concluded in accordance with the law and this Statute.

Article 69

The General Director shall represent the Company in its relations with third parties, both domestically and internationally, and shall be responsible for the management of the Company's operations, in the manner and under the conditions prescribed by law, this Statute and the relevant agreement. The General Director shall also be responsible for personnel policy and the security of the Company.

Article 70

The General Director may be a natural person with full legal capacity who has completed at least higher education and has a minimum of six years of relevant professional experience in the field they manage, as further specified in the Company's internal acts.

No person may simultaneously serve as both a non-executive and an executive member of the Board of Directors, even if they meet the conditions prescribed by this Statute and the Company's acts.

The General Director shall be responsible for the direct management of the Company's operations within the scope of their competence, in accordance with the law, this Statute, the collective agreement and other acts of the Company.

The employment rights and obligations of an executive member of the Board of Directors who, prior to their appointment, was employed by the Company, as defined in their employment contract, shall be suspended. Such suspension shall take effect from the date of their appointment.

Article 71

Without the approval of the Board of Directors, an executive member of the Board of Directors may not engage in any activity or operation in another company, whether paid or unpaid, on their own behalf or on behalf of another person.

Where the Board of Directors grants approval for such activity, it shall inform the General Meeting thereof.

Article 72

Any contract in which the Company is a party and in which an executive or non-executive member of the Board of Directors has an interest, even indirectly, may be concluded only if approved by at least a majority of the members of the Board of Directors who have no interest in the matter, or by the General Meeting of shareholders by a majority of votes of the shareholders present who have no interest in the matter.

If a member of the Board of Directors or the interested member becomes aware that any of the conditions referred to in paragraph 1 of this Article have been met, they shall inform the Board of Directors thereof. The interested member shall have the right to be heard, but may not participate in the discussion or in the decision-making process regarding the granting of approval under paragraph 1 of this Article.

Claims against third parties may not be asserted on the basis of the refusal of the Board of Directors to grant approval or on the basis of irregularities in the decision granting such approval, unless the Company proves that the third party was aware of the absence of approval or of the irregularity of the decision, or, taking into account all the circumstances, could not have been unaware thereof.

Article 73

In addition to the rights and obligations prescribed by law and this Statute, the other rights and obligations of the General Director shall be governed by the terms set out in the agreement regulating the relationship between the executive member of the Board of Directors and the Company, in accordance with the Law on Trade Companies.

Article 74

The General Director shall represent the Company in its relations with third parties and shall be responsible for the management of the Company's operations, in the manner and under the conditions prescribed by this Statute.

Except for the powers expressly vested by law in the General Meeting of the Company, as well as those specifically reserved for the Board of Directors, the General Director shall have the broadest powers, within the scope of their authority, to act on behalf of the Company in all circumstances.

Article 75

The General Director may have an Assistant Director.

The Assistant Director shall have the status of an employee with special powers and responsibilities.

The number of Assistant Directors shall be determined by the Board of Directors by a separate decision.

Assistant Directors shall be appointed and dismissed by the Board of Directors upon the proposal of the General Director.

The rights and obligations of the Assistant Director shall be governed by an agreement regulating the relationship between the Board of Directors and the managerial employee. On behalf

of the Board of Directors, such agreement shall be signed by the Chairperson of the Board of Directors.

Article 76

The executive member of the Board of Directors shall submit to the Board of Directors a written report on the Company's operations at least once every three months, and, upon the expiry of the financial year, shall also submit the annual accounts, annual financial statements and the annual report on the Company's operations.

At the request of the non-executive members of the Board of Directors, the executive member shall prepare a special report on the status of the Company or on a specific matter relating to its operations.

The non-executive members of the Board of Directors may, either personally or through other persons, undertake actions to obtain insight into the Company's operations and its management by the executive member of the Board of Directors. Upon the request of at least one-third of the non-executive members, the executive member shall be obliged to prepare all documents and reports necessary for the supervision of their work.

Each non-executive member of the Board of Directors shall, for the purpose of performing their duties, have the right to review all reports, acts and documents submitted by the executive member of the Board of Directors.

Article 77

Except for the powers which are expressly reserved by law to the Board of Directors, the General Director shall have the broadest authority to carry out all operations of the Company related to the management of the Company, the implementation of the decisions of the Board of Directors, and the conduct of the Company's day-to-day operations, and to act in all circumstances on behalf of the Company and represent the Company in its relations with third parties. For the conclusion of agreements for the acquisition or disposal of fixed assets or long-term investments exceeding 10% of the Company's share capital, the prior approval of the Board of Directors or the General Meeting shall be required.

In performing the activities referred to in paragraph 1 of this Article, the General Director shall have the following powers:

- a) to propose the business policy and manage the operations of the Company;
- b) to organise and manage the work process;
- c) to propose the Company's work programme and business plan to the Board of Directors and take measures for their implementation;
- d) to implement the conclusions and decisions of the General Meeting and the Board of Directors;
- e) to propose the internal organisation of the Company;
- f) to appoint and dismiss: the Assistant General Director, sector directors and heads of departments, regardless of whether they are employees or have the status of managerial staff or employees with special powers and responsibilities, and to decide on their accountability;
- g) to determine staffing needs and carry out recruitment based on public announcements or competitions;
- h) to assess the work performance of employees;
- i) to decide on the assignment of employees in accordance with operational needs;
- j) to decide on employees' requests for annual leave, paid and unpaid leave;
- k) to decide on official travel abroad for employees of the Company;
- l) to adopt individual decisions, orders, rules/regulations and acts not falling within the competence of the General Meeting or the Board of Directors;
- m) to decide on the engagement of external associates and other external service providers in accordance with the Company's needs;
- n) to issue instructions and directives to employees in relation to their work;
- o) to organise the inventory of fixed assets;

p) to be responsible for and accountable for the Company's assets;
q) to decide on borrowing, loans, pledges, guarantees, and on the acquisition and disposal of fixed assets and Company property with a value lower than 50% of the planned monthly total revenue;
r) to establish bodies and working groups as permanent or temporary bodies for the performance of tasks within their scope of authority, determining their composition, powers and scope of work;
s) to impose measures and adopt decisions in cases of breach of work discipline or employment obligations, to decide on termination of employment and other employment-related matters in accordance with the law, collective agreement, internal rules and other acts of the Company; and
t) to perform other duties as prescribed by law, this Statute, the collective agreement and other acts of the Company, as well as the management agreement signed on behalf of the Company by the Chairperson of the Board of Directors.

The General Director shall report facts subject to registration in the Trade Register, unless otherwise provided by law.

Article 78

The General Director shall issue instructions and directives to employees with special powers and responsibilities regarding the implementation of the conclusions and decisions adopted by the General Meeting and the Board of Directors.

Article 79

The General Director shall be dismissed prior to the expiry of their term upon their own request.

Article 80

If the General Director is unable to perform their duties for a period longer than six months, the Board of Directors shall appoint another General Director.

Article 81

The General Director may be dismissed at any time by the Board of Directors by a majority vote, but only in the cases specified in the agreement regulating the relationship between the executive member (General Director) and the Company, in accordance with the law. If the executive member is dismissed contrary to the conditions set out in the agreement, they shall have the right to claim compensation for damages in accordance with the agreement.

c) Operation of the Board of Directors

Article 82

Within the scope of its powers as prescribed by law and this Statute, and the powers expressly conferred upon it by the General Meeting, the Board of Directors shall manage the Company. The Board of Directors shall have the broadest powers in managing the Company within the scope of its business activities and in acting on behalf of the Company in all circumstances, except for those powers expressly vested in the non-executive members of the Board of Directors.

Acts of the Board of Directors adopted outside the scope of its authority as defined in paragraph 1 of this Article shall nevertheless bind the Company in its relations with third parties, unless it is proven that the third parties were aware that such acts exceeded the Board's authority or, having regard to all the circumstances, ought to have been aware thereof.

In accordance with paragraph 1 of this Article, the Board of Directors shall, in particular, perform the following duties:

- 1) adopt plans and programmes for the Company's operations;
- 2) prepare proposals for the General Meeting and implement its decisions;

- 3) decide on borrowing, loans, pledges, guarantees, and on the acquisition and disposal of fixed assets and Company property where the value exceeds 50% of the planned monthly total revenue;
- 4) adopt general and individual acts not falling within the competence of the General Meeting or the General Director;
- 5) decide, as a second-instance body, on objections and other requests of employees arising from employment, unless otherwise provided by law or a collective agreement, which competence the Board of Directors may delegate to a special permanent committee for second-instance decision-making in employment matters, whose composition, appointment and replacement of members shall be regulated by a separate decision;
- 6) decide on the establishment of mortgages over the Company's assets;
- 7) adopt decisions on official travel abroad of the General Director;
- 8) establish bodies and working groups as its permanent or temporary bodies for the performance of occasional or ongoing tasks within its scope of authority, determining their composition, powers and scope of work; and
- 9) adopt decisions on various matters within the scope of the Company's activities that are not assigned to the competence of other bodies.
- 10) ensure the proper and timely preparation of periodic reports and the annual accounts of the Company; and
- 11) perform other duties as prescribed by law, this Statute and other acts of the Company.

Article 83

The Board of Directors may not delegate to the executive members its powers when deciding on:

- 1) the closure (termination) or transfer of an enterprise or a part thereof that accounts for more than 10% of the Company's revenue;
- 2) the reduction or expansion of the Company's scope of business activities;
- 3) substantial internal organisational changes of the Company, as determined by the Company's acts;
- 4) the establishment of long-term cooperation with other companies of significant importance to the Company or its termination;
- 5) the incorporation and dissolution of a company participating with more than one-tenth of the Company's share capital;
- 6) the establishment and closure of branches of the Company;
- 7) decisions on borrowing, loans, and the acquisition and disposal of Company property with a value estimated between 20% and 50% of the book value of the Company's assets;
- 8) decisions on economic, technological and organisational redundancies of employees; and
- 9) the adoption of plans and programmes for the Company's operations.

Article 84

Members of the Board of Directors shall, in accordance with their position as determined by this Statute and the law, have equal rights and obligations, irrespective of the internal allocation of duties among them within the body. They shall perform their duties jointly, in accordance with the powers prescribed by this Statute and the law, and in line with the responsibilities entrusted to them.

Acts or decisions of the Board of Directors adopted outside the scope of their authority as defined by this Statute and the law shall bind the Company in its relations with third parties, unless the third party knew or, having regard to the circumstances, ought to have known thereof.

The Board of Directors shall adopt decisions in the manner prescribed by law, this Statute and its rules of procedure. The rules of procedure shall be adopted in accordance with the manner prescribed by this Statute.

Article 85

Non-executive members, in addition to the powers conferred upon them by this Statute in exercising supervision over the management of the Company by the executive members, shall have the right to inspect and examine the Company's books and documents, as well as its assets, in particular the Company's cash holdings, securities and inventory. For the performance of specific expert supervisory tasks, non-executive members may engage any employee of the Company or another qualified professional.

In the exercise of supervision, the Chairperson of the Board of Directors or any non-executive member, the authorised auditor or another person designated by this Statute, as well as shareholders representing at least one-tenth of the voting shares, may request the convening of a meeting of the Board of Directors. The request shall be submitted to the Chairperson of the Board of Directors.

Article 86

The Board of Directors may validly conduct its business and adopt decisions if at least half of its members are present at the meeting, provided that the number of non-executive members present exceeds the number of executive members present.

The Board of Directors shall adopt decisions by a majority vote of the members present constituting the quorum referred to in paragraph 1 of this Article, unless a higher majority is prescribed by law or this Statute.

The vote of the Chairperson of the Board of Directors, or, in their absence, the member presiding over the meeting who is authorised by the Chairperson to act as their substitute, shall be decisive in the event of a tie, unless otherwise provided by this Statute.

Resolutions of the Board of Directors shall enter into force on the date of their adoption, unless otherwise provided by law.

Article 87

The Board of Directors shall hold meetings as required for the performance of its duties within the scope of its authority.

The Board of Directors shall, in the course of a year, hold at least 4 (four) meetings, at intervals of three months, with at least one meeting to be held within one month prior to the Annual General Meeting.

Any member of the Board of Directors may, by submitting a written request stating the reasons and purpose, request the Chairperson to convene a meeting of the Board of Directors.

If the member requesting the meeting is supported by at least one-third of the members of the Board of Directors, a meeting shall be convened, and the Chairperson shall be obliged to convene such meeting within fifteen days from the date of submission of the request.

The convening of the meeting referred to in paragraph 3 of this Article shall be effected by notifying all members of the Board of Directors in the customary manner for convening meetings, specifying the reasons, time and place of the meeting.

Article 88

The Board of Directors may adopt decisions without holding a meeting if all members of the Board of Directors give their consent to the decision to be adopted in such manner.

For all decisions adopted in accordance with paragraph 1 of this Article, the Chairperson of the Board of Directors, or a natural person authorised by them, shall prepare minutes recording the decisions. The minutes shall be signed by the Chairperson of the Board of Directors, or, in their absence, by a member of the Board of Directors, no later than thirty days from the date on which consent to the decision was given.

Decisions adopted in accordance with paragraph 1 of this Article shall enter into force on the date on which all members of the Board of Directors have given their consent, unless a different effective date is specified in the decision. Consent may be given by handwritten signature or by signature transmitted by fax or electronic means on the proposed decision.

Article 89

Members of the Board of Directors may participate and adopt decisions at meetings held by means of conference telephone connection or other audio and visual communication equipment, provided that all participants are able to hear and communicate with one another. Participation in such meetings shall be deemed equivalent to presence and personal participation of the persons involved.

Participation in the meeting shall be recorded in the minutes of the Board of Directors, which shall be signed by all members who participated in the meeting held in the manner referred to in paragraph 1 of this Article.

Article 90

The Board of Directors may establish one or more committees from among its members and other persons.

The committees may not decide on matters falling within the competence of the Board of Directors, nor may the Board's powers and responsibilities be delegated to them.

The composition, conditions, scope of work and manner of operation of such committees shall be regulated in more detail by other acts of the Company adopted in accordance with this Statute.

All activities of the committees shall be subject to approval by the management body.

Article 91

Minutes shall be prepared for each meeting of the Board of Directors and its committees, regardless of the manner in which the meeting was held.

The minutes shall be prepared within three days from the date of the meeting, unless otherwise provided by law.

The minutes shall include information on the manner in which the Board of Directors conducted its work (at a meeting or otherwise), the time and place of the meeting, the persons present, the agenda, the matters put to a vote and the results of each vote, including the names of the members who voted "FOR" and "AGAINST" the decisions adopted. At the request of a member who voted "FOR" or "AGAINST", the reasons for such vote may also be recorded in the minutes. If a member has a conflict of interest, they shall be obliged to declare it at the beginning of the meeting, and such declaration shall be recorded in the minutes.

The minutes shall be signed by all members of the Board of Directors who were present at the meeting. The minutes shall also be signed by the Chairperson of the Board of Directors, or, in their absence, by the member who chaired the meeting pursuant to the Chairperson's authorisation.

Upon signing, the minutes, together with the written decisions, conclusions and other materials, shall be delivered to the persons responsible for their implementation, and one copy shall be filed and kept in the Company's archives.

Article 92

If members of the Board of Directors breach their duties, they shall be liable to the Company for any damage caused, as joint and several debtors, if they have not acted with the due care of a prudent and diligent trader. A member of the Board of Directors shall not be deemed liable if they acted on the basis of a resolution adopted by the General Meeting, even where they indicated that such resolution was contrary to the law or this Statute, nor if they opposed the adoption of a decision by recording their dissenting opinion in the minutes of the Board of Directors and voting "AGAINST" the decision.

Members of the Board of Directors shall, in particular, be deemed liable for damage if, contrary to the Law on Trade Companies and this Statute:

- 1) return to the shareholders what they have contributed to the Company;
- 2) pay interest or dividends to the shareholders;
- 3) subscribe for, acquire, pledge or withdraw the Company's shares;
- 4) distribute the Company's assets;
- 5) make payments after the Company has become unable to pay its debts or after it has become over-indebted;
- 6) submit false annual accounts and financial statements;

- 7) misuse or unlawfully use the Company's assets; and
- 8) in the case of a conditional increase of the share capital, issue shares contrary to the intended purpose, or issue shares before the shares from the previous issue have been fully paid up.

If the Board of Directors fails to remedy the unlawful actions referred to in paragraph 2 of this Article, the shareholders shall have the right to claim compensation for damages from the members of the management body.

If a member of the Board of Directors grossly breaches their duty to act with the care of a prudent and diligent trader, the Company's creditors may also file a claim for damages if they are unable to satisfy their claims from the Company.

Non-executive members of the Board of Directors shall be jointly and severally liable for damage caused to the Company together with the executive member of the Board of Directors, if, in granting prior approval, they failed to act with the care of a prudent and diligent trader.

The right to claim compensation for damages under this Article shall be subject to a limitation period of five years.

Article 93

A member of the Board of Directors shall exercise the powers conferred upon them by law and this Statute in the interest of the Company and its shareholders, with the care of a prudent and diligent trader, and may not transfer such powers to another member of the Board of Directors.

Members of the Board of Directors shall be obliged to treat as confidential all information and data relating in any way to the Company's operations which they have received as confidential.

The obligation referred to in paragraph 2 of this Article shall continue even after the termination of their mandate on the Board of Directors, in accordance with the obligations undertaken in the agreement regulating the relationship between the Company and the executive member of the Board of Directors.

In the performance of their duties, in accordance with paragraph 1 of this Article, members of the Board of Directors may rely on information, opinions or reports prepared by independent legal advisors, independent certified accountants and authorised auditors, and other persons believed to be reliable and competent in the matters they handle; however, such reliance shall not release them from their duty to act with the care of a prudent and diligent trader.

Any limitations on the powers of representation of the executive members of the Board of Directors shall have no legal effect vis-à-vis third parties, even if such limitations have been published.

Article 94

The General Meeting may dismiss all members, or any member, of the Board of Directors prior to the expiry of the term for which they were elected. A resolution on dismissal shall require a majority vote of the shares with voting rights represented at the General Meeting.

If the General Meeting adopts a resolution to dismiss all members of the Board of Directors, or any of its members, new members of the Board of Directors, or a new member to replace the dismissed member, shall be elected at the same meeting, provided that the shareholders have been supplied in writing with the required information on the candidates to be elected.

A member of the Board of Directors shall also cease to hold office upon the occurrence of any condition prescribed by the Law on Trade Companies.

If the General Meeting dismisses more than one member of the Board of Directors, a vote shall be taken on the dismissal of all members of the Board of Directors. The members shall be deemed dismissed if the shareholders vote in favour of dismissal by a majority of the voting shares represented at the General Meeting.

The resolution of the General Meeting on the dismissal of the Board of Directors, or any of its members, shall enter into force on the date of its adoption.

The application for registration in the Trade Register of the elected or dismissed members under this Article shall be submitted by the person authorised by the resolution on election or dismissal.

Article 95

A member of the Board of Directors may resign at any time by submitting a written notice to the body that elected them, unless the interests of the Company require otherwise.

The signature of the member of the Board of Directors on the resignation notice shall be notarised.

Upon submission of the resignation, no decision shall be taken on its acceptance. If the interests of the Company so require, the Board of Directors may oblige the resigning member to continue performing their duties until the election of a new member of the Board of Directors, but for no longer than sixty days. A member of the Board of Directors shall be deemed to have ceased to hold office on the date of submission of the written resignation notice, unless another date is specified therein. On the basis of the resignation notice, an application shall be submitted for the deletion from the Trade Register of the member of the Board of Directors who has resigned.

Article 96

The General Meeting shall, by resolution, determine the monthly retainer or the per-meeting fee for the non-executive members of the Board of Directors. Non-executive members shall also be entitled to reimbursement of all other expenses (travel and other expenses), life insurance and other types of insurance, as well as other rights related to the performance of their function (use of office premises, necessary work resources, etc.).

Executive members of the Board of Directors shall be entitled to a salary, i.e. a monthly remuneration, life insurance and other types of insurance, reimbursement of travel expenses and other rights.

For the work of the executive members of the Board of Directors, the General Meeting may, by resolution, approve their participation in profits. Such participation shall, as a rule, consist of a share in a portion of the Company's annual profit (paid in cash, shares, tantièmes, bonuses or in another form). The approved participation in the annual profit of the Company shall be calculated on the portion of the annual profit remaining after deduction of accumulated losses from previous years and the amounts allocated to statutory and other reserves. Any resolution contrary to this provision shall be null and void.

The rights of the executive members of the Board of Directors referred to in paragraphs 2 and 3 of this Article shall be regulated by an agreement in accordance with the Law on Trade Companies, taking into account the type and scope of the entrusted duties, their employment status and their personal contribution to the successful operation of the Company.

The rights of the executive members of the Board of Directors referred to in paragraphs 2 and 3 of this Article shall be regulated by an agreement in accordance with the Law on Trade Companies, taking into account the type and scope of the entrusted duties, their employment status and their personal contribution to the successful operation of the Company.

The agreement shall also determine the situations in which the financial condition of the Company is deemed to have significantly deteriorated, such that the remuneration of the members of the Board of Directors constitutes a substantial burden for the Company. In such cases, the General Meeting may reduce the total remuneration and other rights of the non-executive members of the Board of Directors referred to in paragraphs 2 and 4 of this Article. Such reduction shall not affect the legal relationship between the member of the Board of Directors and the Company; however, the executive member of the Board of Directors may terminate the agreement and resign, effective no earlier than the end of the following quarter, with a notice period not shorter than thirty days, unless the General Meeting agrees to a shorter period.

Remuneration paid to members of the Board of Directors shall constitute an operating expense of the Company. For specific tasks performed for the Company, a member of the Board of Directors may be granted additional remuneration, which shall also be paid as an operating expense.

The Company may not grant loans to members of the Board of Directors or to members of their immediate families, nor to a member of the Board of Directors or manager of a subsidiary, or to a member of their immediate family. This prohibition shall not apply to obligations undertaken by the Company under an agreement in accordance with the Law on Trade Companies, provided that such

agreement is approved by the General Meeting by a two-thirds majority of the voting shares represented at the meeting.

X. REPRESENTATION OF THE COMPANY

Article 97

The General Director shall be authorised, on behalf of the Company, to conclude agreements and undertake other legal acts, as well as to represent the Company before courts and other authorities. If the Board of Directors has more than one executive member, the other executive members shall represent the Company within the scope and in the manner determined by this Statute.

For the conclusion of agreements for the acquisition or disposal of fixed assets or long-term investments whose value exceeds 10% of the Company's share capital, the prior approval of the Board of Directors or the General Meeting shall be required.

The General Director shall also represent the Company in the field of its foreign trade activities.

Article 98

The General Director may, by authorisation, empower another person to represent the Company in performing its activities and in implementing the decisions of the General Meeting and the Board of Directors.

Article 99

If the General Director is unable to perform the duties of representation due to justified reasons, the Company shall be temporarily represented by a member designated by the Board of Directors, within the limits determined by the decision on representation.

XI. PROCURATION, POWER OF ATTORNEY AND COMMERCIAL AGENT

1. Procuration

Article 100

The Board of Directors may decide to grant procuration to any legally capable natural person, irrespective of their position or duties, as an individual procuration.

Procuration shall be granted in writing.

Procuration may not be transferred to another natural person.

Procuration may be revoked at any time.

The relationship between the Company and the procurator, including remuneration, shall be regulated by an agreement.

Article 101

The procurator may conclude all agreements and perform all other legal acts and actions in the name and on behalf of the Company within the scope of the Company's business activities, and represent the Company in proceedings before administrative and other state authorities, organisations and institutions with public powers, and before courts.

The procurator may not dispose of or encumber the Company's immovable property, nor may they make statements or conclude legal acts, or undertake actions that would initiate bankruptcy or other proceedings that could lead to the termination of the Company.

The procurator may not grant a power of attorney to another person for the conclusion of agreements or other legal acts.

Any agreement concluded by the procurator, on behalf of the Company, with themselves as the other party, whether acting in their own name and for their own account, in their own name and for the account of another, or in the name and for the account of another person, shall be null and void unless the procurator has been expressly authorised to do so.

The procurator shall sign on behalf of the Company by affixing their name and surname below the Company's name, with an indication clearly denoting their capacity as procurator, or with the designation "p.p."

2. Power of Attorney by Employment

Article 102

An employee of the Company who performs duties which, in the ordinary course of business, include the conclusion of certain agreements or the undertaking of specific legal acts, shall be authorised, as a proxy of the Company, to conclude such agreements and undertake such legal actions within the scope of the duties they perform.

3. Commercial Agent

Article 103

A commercial agent is an employee of the Company or another natural person who, for remuneration, is authorised by the Company's legal representative to manage the enterprise or a part thereof within the scope of the granted authority.

The commercial power of attorney shall be granted in writing and certified by a notary public.

Article 104

A commercial proxy may be authorised to conclude all contracts and undertake all acts customary in the course of business in managing the enterprise or a part thereof, within the scope of the granted power of attorney.

A commercial proxy may not, without specific authorisation from the principal, alienate or encumber immovable property, bind the principal by a bill of exchange or cheque, assume guarantee obligations, take out loans on the principal's behalf, agree on the jurisdiction of an arbitral tribunal, or enter into settlements or conduct litigation.

The proxy shall indicate their capacity as proxy alongside their signature and shall not add anything that would designate them as a procurator.

XII. REGULATION OF THE COMPANY'S INTERNAL RELATIONS

Article 105

Relations within the Company shall be governed by the Law on Trade Companies, this Statute, bylaws, rules of procedure and decisions regulating general matters.

The General Meeting and the Board of Directors shall adopt rules of procedure governing the manner and procedure of their operation and decision-making, as well as other general acts within their competence.

Employment relations, salaries and other rights arising from employment shall be governed by the Labour Relations Law, the collective agreement, the Company's rules and employment contracts.

Article 106

The Company's collective agreement shall be concluded by the executive member of the Board of Directors and a representative of the Company's trade union.

The internal rules of WABTEC MZT AD Skopje shall be adopted by the executive member of the Board of Directors of the Company.

Article 107

This Statute is the fundamental act of the Company.

Other acts of the Company must be in compliance with this Statute. Provisions of other acts that are contrary to this Statute shall not be applied.

Article 108

Amendments and supplements to the Company's acts shall be made in the same manner and procedure as those under which they were adopted.

Article 109

The Company's acts shall enter into force upon publication.

Publication of the acts shall be made on the Company's notice board.

An act may provide, in accordance with the law, that the entire act or certain of its provisions shall have retroactive effect, only where this is permitted by the nature of the legal relationships governed by such act.

Article 110

Interpretation of the company's act shall be provided by the body that adopted the act.

The act on interpretation of the acts shall be published in the manner in which the acts are published.

XIII. MAJOR TRANSACTIONS AND TRANSACTIONS WITH AN INTERESTED PARTY

1. Major Transactions

Article 111

A major transaction shall mean a transaction (including, without limitation, a loan, credit, pledge, guarantee) or interrelated transactions, where such transaction, i.e. transactions, relate to the acquisition or disposal, or possible disposal, directly or indirectly, of assets of the company whose value exceeds 20% of the book value of the assets of the company determined on the basis of the latest financial statements of the company, with the exception of transactions carried out in the ordinary course of the company's business, and transactions related to the acquisition of bonds. In the case of disposal or creation of the possibility for disposal of assets, the value of such assets determined on the basis of the latest audited financial statements of the company, and in the case of acquisition of assets, the purchase price of the assets, shall be compared with the book value of the assets of the company.

When, in accordance with the law, the General Meeting adopts a decision on approval of a major transaction, such decision shall be adopted on the basis of the appraised value of the assets being acquired or disposed of, as determined by the Board of Directors.

Article 112

Any major transaction relating to assets whose value is appraised at more than 20% of 50% of the book value of the assets of the company must be approved by all members of the Board of Directors.

If consensus is not reached in accordance with paragraph 1 of this Article for the approval of a major transaction, the Board of Directors may decide to submit the major transaction for which a decision is to be adopted to the General Meeting for approval. The General Meeting shall adopt the decision by a majority of votes which may not be less than the majority of the voting shares represented at the General Meeting.

Any major transaction relating to assets whose value is appraised at more than 50% of the book value of the assets of the company must be approved by the General Meeting by a decision adopted by a majority of votes which may not be less than two-thirds of the voting shares represented at the General Meeting.

The Board of Directors shall submit to the General Meeting a written notice on the major transaction, stating that the General Meeting should consider the proposal for the major transaction and its recommendation, including an explicit statement of the shareholders' right to dissent from the major transaction. The written notice shall specify the party, i.e. parties to the transaction, the

beneficiary, i.e. beneficiaries of the transaction, the value, subject matter, scope, and other material terms of the transaction.

In the event that, for the execution of the major transaction, a member of the Board of Directors has a personal interest, i.e. is an interested party in its approval, the provisions of the law and this Statute relating to transactions with an interested party shall apply.

A major transaction carried out contrary to the provisions of this Article shall be null and void.

2. Transactions with an Interested Party

Article 113

Any transaction, including, without limitation, a loan, credit, pledge or guarantee, in which the interested party is a member of the Board of Directors, including managerial persons, or a shareholder who, together with related persons, holds 20% or more of the voting shares of the Company, or a person authorised to give instructions to the Company, shall be deemed a transaction with an interested party and shall be carried out by the Company in a procedure in accordance with the provisions of this Statute.

A person referred to in paragraph (1) of this Article shall be deemed to be an interested party and to have an interest in the execution of a transaction by the Company where such person, their representative, spouse, parents, children, siblings (whether of both parents or of one parent), adoptive parents, adopters, adopted children, or any person related to them (hereinafter: interested party):

- 1) is a party to such transaction, its beneficiary, representative or intermediary; or
- 2) individually or jointly holds 20% or more of the shares in a legal entity that is a party to the transaction, its beneficiary, representative or intermediary; or
- 3) is a member of a management or supervisory body of a legal entity that is a party to the transaction, its beneficiary or representative, or is a managerial person of such legal entity; or
- 4) where so provided by the Statute.

The provisions of paragraphs 1 and 2 of this Article shall not apply:

1. if all shareholders of the company have an interest in the transaction;
2. in the case of exercising the pre-emptive right to acquire shares issued by the company; and
3. in the acquisition or redemption of own shares.

Article 114

If, within two years from the incorporation of the company, the company acquires any assets owned by the founders which exceed one-tenth of the share capital of the company, the acquisition of such assets must be examined in detail and a report thereon shall be submitted to the next General Meeting in order to seek approval.

Article 115

The persons referred to in Article 113 of this Statute shall be obliged to notify the Board of Directors:

- 1) of the companies in which they, either individually or together with related parties, hold 20% or more of the voting shares;
- 2) of the companies in whose bodies they hold management positions; and
- 3) of any current or potential transactions known to them in which they are an interested party.

Article 116

Any transaction with an interested party shall be subject to prior approval by the Board of Directors or by the General Meeting, in the manner and in accordance with the procedure determined in this Article.

A decision approving any transaction with an interested party shall be adopted by a majority of votes of the members of the Board of Directors who have no interest in the transaction. If all members of the Board of Directors are interested parties, or if the number of members of the Board

of Directors who have no interest is less than the number required for a quorum for a meeting of the Board of Directors as determined by this Statute, such transaction shall be approved by the General Meeting.

The General Meeting shall approve a transaction with an interested party by a majority of votes of all shareholders who have no interest and who hold voting shares, provided that:

- 1) the value of the assets to which such transaction or related transactions relate amounts to 2% or more of the book value of the assets of the company, according to the latest audited financial statements of the company, or in relation to the offered price in the case where assets are to be acquired;
- 2) the transaction or related transactions relate to the issuance by subscription or sale of shares representing more than 2% of the ordinary shares of the company outstanding at that time and the ordinary shares into which previously issued securities in series may be converted; or
- 3) the transaction or related transactions relate to the issuance by subscription of convertible bonds which may be converted into ordinary shares and which represent more than 2% of the issued ordinary shares of the company, and where, at the same time, previously issued securities in series are convertible into shares.

The decision approving a transaction with an interested party shall specify the person who is a party to the transaction or is a beneficiary, as well as the value, subject matter, and other material terms of the transaction.

The General Meeting may approve a transaction with an interested party which may be carried out with the company in the future, in the ordinary course of its business. The decision adopted by the General Meeting shall mandatorily, inter alia, determine the maximum amount of the transaction. In the procedure for approving a transaction with an interested party, the price of the assets or services to be sold or acquired thereunder shall be determined by the Board of Directors.

A transaction with an interested party carried out contrary to the provisions of this section of this Statute shall be null and void.

Any interested party shall be liable to the company for the damages it has caused thereto. If several parties are liable, their liability towards the company shall be joint and several.

XIV. COMMERCIAL BOOKS, ANNUAL ACCOUNTS AND FINANCIAL STATEMENTS

1. Commercial Books

Article 117

The company, in accordance with the principles of proper accounting, shall keep commercial books in a manner that makes all undertaken commercial legal transactions, the state of assets, liabilities, capital, income and expenses visible. The commercial books shall be kept in such a manner that any third-party expert, upon reviewing the books, may obtain a general overview and insight into the operations of the trader, as well as into the financial position and the financial result of its company. The commercial books must clearly indicate the manner in which all commercial transactions of the trader have been initiated, conducted and completed.

The Board of Directors shall be obliged to keep a copy of each business letter sent. The retained copy must be identical to the sent original.

Commercial books kept under the double-entry bookkeeping system shall include the journal, the general ledger and analytical records.

Article 118

The company shall permanently retain the annual accounts and the financial statements.

Commercial books shall be retained for at least ten years from the expiry of the year to which they relate.

Accounting documents shall be retained for at least five years from the expiry of the year in which they were used for the preparation of the commercial books, except for payroll calculation documents, which shall be retained permanently.

The annual accounts and financial statements, commercial books and accounting documents shall be retained in their original form or transferred onto any medium for automatic or micrographic data processing.

2. Annual Accounts and Financial Statements

Article 119

Upon the expiry of the calendar financial year, the company shall prepare annual accounts and shall also prepare financial statements.

The Board of Directors may decide, in addition to the annual accounts and the financial statements provided for in paragraph 1 of this Article, that financial statements shall also be prepared for periods shorter than the financial year.

The annual accounts shall include a balance sheet and an income statement. The financial statements shall include a balance sheet and an income statement, a statement of changes in equity, a cash flow statement, the applied accounting policies, and other explanatory notes prepared in accordance with international accounting standards.

The annual accounts and the financial statements shall be signed by the General Director, indicating the date of their preparation and signing. In addition to the annual accounts and the financial statements, the Board of Directors shall, upon the completion of each financial year, be obliged to prepare a report on the operations of the company for the previous financial year. In the annual report on the operations of the company for the previous financial year, the Board of Directors shall be obliged to objectively present and explain the main factors and circumstances that influenced the determination of the operations, including changes in the environment within which the company operates, the company's response to such changes and their impact, the investment policy for maintaining and supporting the performance of the company, including the dividend policy, the sources of the company's funds, the policy regarding the ratio of long-term debt to share capital and the risk management policy, major transactions and transactions with an interested party, as well as the assets of the company whose value is not reflected in the balance sheet in accordance with international accounting standards, the prospects for the future development of the company and its business undertaking, activities in the field of research and development, as well as information regarding the acquisition of own interests or shares, depending on the relevant circumstances. The annual report of the company shall also disclose the remuneration of the General Director and the other executive directors, including salary, salary compensations, bonuses, insurance and other rights.

Article 120

The company shall have a mandatory general reserve as a general reserve fund, formed by allocation from net profit. For this purpose, 5% of the profit shall be calculated and allocated until the reserves of the company reach an amount equal to one-tenth of the share capital. If the reserve thus created is reduced, it must be replenished in the same manner.

Until the general reserve exceeds the amount specified in paragraph 1 of this Article, the profit may be used only for covering losses.

When the general reserve exceeds the minimum amount and after all losses have been covered, upon a decision of the General Meeting, the surplus may be used to supplement the dividend if, for the financial year, it has not reached the minimum amount prescribed in paragraph 1 of this Article.

Amounts entered into the reserve on the basis of additional contributions by the shareholders may not be used to supplement the dividend.

Article 121

The General Meeting shall decide on the coverage of losses.

The decision on the coverage of losses shall specify the sources for such coverage, in particular from contributions, by write-off of creditors' claims, at the expense of the mandatory general reserve, the special reserves for covering losses, and at the expense of the capital, by its reduction.

The decision referred to in paragraph 1 of this Article may not amend the loss of the company.

For the purpose of covering specific losses or for other expenditures determined by the General Meeting, a special reserve fund shall be established.

3. Audit by an Authorized Auditor

Article 122

The financial statements shall be subject to audit and may not be approved by the General Meeting if they have not been audited by an authorized audit company.

The authorized auditor shall be appointed by the General Meeting prior to the expiry of the financial year for which the audit is conducted.

The General Director shall be obliged to grant the authorized auditor access to all documentation, including that which is considered a business secret.

The authorized auditor of the financial statements shall submit an audit report in accordance with the international auditing standards published in the Official Gazette of the Republic of North Macedonia.

Article 123

Upon receipt of the audit report, the General Director shall submit it, together with the annual accounts, the financial statements and the annual report on the operations of the company, to the Board of Directors. At the same time, a proposed decision on the allocation of the realized profit, which shall be submitted to the General Meeting for decision-making, shall also be submitted to the Board of Directors.

The non-executive members shall be obliged to examine the annual accounts and the financial statements, as well as the proposed decision on the allocation of profit. At the request of the executive members of the Board of Directors, the authorized auditor shall be obliged to attend the meeting of the Board of Directors.

The non-executive members shall submit to the General Meeting a written report on the results of the control. In the report, the non-executive members shall state the manner in which they carried out the control and the scope of the control over the management of the company during the previous financial year. The report shall include a statement on the results of the audit carried out by the authorized auditor of the annual accounts and the financial statements, as well as on the proposal for their adoption or non-adoption.

Article 124

The General Meeting of the company shall decide on the use of profit in accordance with the annual accounts.

The decision on the use of profit shall present the allocation of the realized net profit and, in particular, shall specify:

- 1) the amount of profit for covering losses from previous years (if any);
- 2) the amount to be distributed to the shareholders in the form of dividends;
- 3) the amounts to be allocated to the statutory and other reserves of the company;
- 4) the possible carry-forward of profit to the following year; and
- 5) additional expenditures based on the decision.

The decision referred to in paragraph 1 of this Article may not amend the realized profit established by the annual accounts of the company.

Article 125

Upon approval of the annual accounts and determination of the existence of profit available for distribution, the General Meeting of the company shall determine the portion to be distributed to the shareholders in the form of dividends. The method of payment of the dividend shall be determined by the General Meeting of the company.

The dividend shall be paid no later than nine months after the end of the financial year. If necessary for the security of the company or for a more balanced dividend, prior to determining the amount of the dividend, the General Meeting of the company may resolve to establish a special reserve.

Article 126

Employees with special authorities and responsibilities, as determined by this Statute, may be granted participation in profit for their work. Such participation shall consist of a share in the annual profit of the company.

The percentage of participation in the annual profit for employees with special authorities and responsibilities shall be determined by the Board of Directors.

The share in the annual profit of the company shall be calculated on the basis of the annual net profit reduced by the loss carried forward from the previous year and by the amounts which, in accordance with the law and this Statute, are deducted from the annual profit for statutory reserves.

The total remuneration of the persons referred to in paragraph 2 of this Article (salary, participation in profit, allowances, insurance compensation, etc.) shall be commensurate with the duties of employees with special authorities and responsibilities.

If, as a result of determining the remuneration of the persons referred to in paragraph 2 of this Article, a significant deterioration of the company's condition occurs, such remuneration may be reduced accordingly.

Article 127

A shareholder, in respect of a portion of the dividend declared for distribution or of interim dividends, may receive the dividend, i.e. the interim dividend, in cash or in shares.

The offer for payment of the dividend or interim dividends in shares must be made simultaneously to all shareholders.

Article 128

If, after the end of the financial year and prior to the adoption of the annual accounts by the General Meeting, the Board of Directors becomes aware that the financial position of the Company has materially and not merely temporarily deteriorated due to losses or a reduction in asset value, it shall inform the General Meeting thereof.

In such case, the corresponding portion of the profit derived from the annual accounts shall not be distributed, but shall be carried forward to the current financial year.

Article 129

The employees of the Company shall be entitled to a share of the net profit, in proportion to the criteria established by the collective agreement.

The distribution of the portion of profit attributable to the employees shall be decided by the General Meeting, upon a proposal of the Board of Directors.

Article 130

If the annual accounts show a loss exceeding the reserves and one-third of the share capital, the Board of Directors shall, without delay, prepare a statement of accounts, even if the Company's assets exceed its liabilities.

The General Director shall submit a proposal for the distribution of profit or the covering of losses.

On the basis of such proposal, the Board of Directors shall prepare a proposal for the distribution of profit or the covering of losses.

The General Meeting shall either adopt the proposal of the Board of Directors in its entirety or reject it in its entirety.

XV. ESTABLISHMENT OF A COMPANY

Article 131

The Company may establish a company which shall be under its control.

A decision on the establishment of a company shall be adopted by the Board of Directors upon a proposal of the General Director.

If the company referred to in paragraph (1) of this Article is established by a reduction of the Company's share capital, the decision on the establishment of the new company shall be adopted by the General Meeting.

Prior to the adoption of the decision on the establishment of a new company, a feasibility study on the economic justification of its establishment shall be prepared.

The members of the management body of the company referred to in paragraph (1) of this Article shall be proposed and appointed by the Board of Directors.

Article 132

The mutual relations in the event of the establishment of a new company shall be regulated by an agreement adopted by the Board of Directors in cases where the contribution does not exceed 50% of the share capital of the new company.

XVI. STATUS CHANGES IN THE COMPANY

Article 133

Another company may be merged into the Company (merging company), or the Company may be merged into another company (acquiring company).

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

The Company may, by way of division, simultaneously transfer all its assets and liabilities to two or more newly established companies (division by formation) or to two or more existing companies (division by acquisition), whereby the dividing company shall cease to exist without liquidation. The Company may, by way of division, transfer part of its assets and liabilities to one or more newly established companies (spin-off by formation) or to one or more existing companies (spin-off by acquisition), whereby the Company shall not cease to exist.

The division of the company may also be carried out by simultaneous transfer of all assets or part of the assets and its liabilities to new companies and to existing companies, as a combined division through demerger by formation, demerger by acquisition, spin-off by formation and spin-off by acquisition.

A decision on merger by acquisition, merger or division shall be adopted by the General Meeting under the conditions and in the manner provided by law and this Statute.

The Board of Directors and the management body of the company to which the merger by acquisition is effected, i.e. the management body of the company with which the merger is carried out, or the management body of the company assuming assets in the case of division of the company, shall conclude an agreement in which they shall harmonize the conditions under which the merger by acquisition, merger, or division shall be carried out. The agreement shall be executed in the form of a notarial deed.

If the division of the company is carried out by demerger by formation or by spin-off by formation of new companies, the Board of Directors shall adopt a division plan. The division plan, together with all its annexes, shall be drawn up in the form of a notarial deed.

Article 134

No later than one month prior to the decision of the General Meeting on the approval of the agreement or the division plan, the Board of Directors shall, in accordance with the law, publish in the Official Gazette of the Republic of North Macedonia and in at least one daily newspaper a notice of the concluded agreement or the adopted division plan.

The agreement or the division plan and the annexes forming an integral part thereof shall be made available for inspection to all shareholders at the registered office of the company. The

publication referred to in paragraph 1 of this Article shall specify the time and other details relevant for enabling each shareholder to carry out such inspection.

Within the period referred to in paragraph 1 of this Article, the agreement or the division plan shall be submitted to the Trade Register for the purpose of pre-registration. Upon completion of the pre-registration, it shall be published in the Official Gazette of the Republic of North Macedonia that the pre-registration has been effected in the Trade Register and that the agreement or the division plan is available for inspection.

Article 135

The agreement or the division plan must be reviewed by an authorized auditor.

The authorized auditor shall be appointed by the Board of Directors.

The audit report must contain the auditor's opinion as to whether the share exchange ratio is fair and reasonable.

Article 136

The Board of Directors shall prepare a report in written form in which it shall, in detail:

- 1) explain the reasons, i.e. the objective to be achieved by the merger by acquisition, merger and division;
- 2) explain the legal and business issues, as well as the proposed legal and economic grounds under which the merger by acquisition, merger and division are carried out;
- 3) explain the criteria and methods used to determine the ratio according to which the exchange of interests, i.e. shares, shall be carried out and the criteria for their allocation;
- 4) explain the content of the documents and the proposed acts relating to the merger by acquisition, merger and division;
- 5) describe the difficulties encountered during the procedure in the valuation of assets and liabilities;
- 6) specify the non-cash contributions, as well as the issues arising in their valuation carried out in accordance with Article 35 of the Law, and make reference to the reports on the basis of which such non-cash contributions were valued and the manner in which such reports are available for inspection;
- 7) explain the changes in the assets and liabilities arising from the date of conclusion of the agreement or the adoption of the division plan until the date of the decision-making by the shareholders, respectively, at the holding of the shareholders' meeting or the General Meeting at which the merger, consolidation, or division is to be decided.; and
- 8) explain the amendments made to the agreement or to the division plan as a result of their obligation to act in accordance with the instructions of the authorised auditor.

Article 137

At least one month prior to the date set for the General Meeting at which the approval of the agreement or the division plan is to be decided, the Board of Directors shall make available to the shareholders, at the Company's registered office, the documentation relating to the implementation of the merger, consolidation or division, in particular:

- 1) the agreement or the division plan, together with all annexes thereto;
- 2) the annual accounts and the annual management reports of each of the companies participating in the merger, consolidation or division for the last three years, or for each year of their existence if they have existed for less than three years;
- 3) the annual accounts prepared in accordance with the Law on Trade Companies;
- 4) the report prepared by the Board of Directors and by the management body of the company being merged or consolidated;
- 5) the report of the authorised auditor; and
- 6) other material information and notifications relevant for the decision on the merger, consolidation or division.

The annual accounts referred to in paragraph (1), item 2 of this Article shall be prepared in accordance with the regulations applicable at the time of their preparation.

Article 138

The agreement or the division plan shall become valid upon approval by the General Meeting.

The resolution approving the agreement or the division plan shall be adopted in the same manner as a resolution amending this Statute.

The resolution approving the agreement or the division plan referred to in paragraph (1) of this Article shall be deemed to constitute a resolution on merger, consolidation or division.

Simultaneously with the resolution on merger, consolidation, or division by acquisition and spin-off by acquisition, the General Meeting shall adopt a resolution amending this Statute, and with the resolution on division by formation and spin-off by formation, it shall adopt a resolution approving the memorandum of association or the statute of the newly established company.

Minutes of the General Meeting referred to in paragraph (1) of this Article shall be taken by a notary. The agreement or the division plan shall be appended to the minutes of the General Meeting as an integral part thereof.

Article 139

A shareholder who has declared that they do not wish to receive shares in the acquiring company, in a new beneficiary company established by merger, or in a newly established company, shall be entitled to have their shares purchased by the Company at a price determined in the resolution on merger, consolidation or division.

If the shareholder does not accept the offered price referred to in paragraph (1) of this Article, they may, within thirty days from the date of publication of the offer, submit a proposal to the court to determine the value of the shares. The shareholder shall lose all rights arising from the shares, except for the right to compensation for such shares.

On the basis of the court's decision, the Company may pay an increased amount to all shareholders holding shares of the same class and type, in the amount determined by the court decision.

A shareholder of the company, in the event of a merger by acquisition, merger or division, may not have any other claims against the assets of the acquiring company, i.e. the new beneficiary company, nor against the company acquiring part of the assets and liabilities of the company divided by demerger by acquisition or spin-off by acquisition, nor against a newly established company formed by division of the company through demerger by formation or spin-off by formation.

XVII. INFORMATION OF SHAREHOLDERS, ACTS AND DOCUMENTS

1. Right of Shareholders to Information

Article 140

For the purpose of exercising their rights determined by law and this Statute, each shareholder of the company, even where not participating in the management, shall have the right to be personally informed about the operations of the company and the right to inspect the books, acts and other documents of the company.

Each shareholder shall have the right to request copies of the acts and documents which are subject to consideration and decision-making by the General Meeting. The Board of Directors shall be obliged to provide such copies free of charge. In all other cases, the fee may not exceed the actual costs.

The Board of Directors shall determine the manner of publication of the data and reports for which this Statute provides an obligation for publication in a daily newspaper, on the internet or otherwise, and shall determine the data and reports to be published which it considers to be of significance for the shareholders and the company, unless otherwise provided by law.

Article 141

The company shall, at its registered office, keep the following acts and documents:

- 1) the Statute and other acts, as well as all amendments thereto, together with consolidated texts;
- 2) minutes and other documents from all General Meetings of shareholders;
- 3) minutes and decisions from the meetings of the Board of Directors;
- 4) annual accounts and financial statements to be retained in accordance with the law;
- 5) annexes (instruments and evidence) submitted to the Trade Register;
- 6) all public calls and prospectuses for the issuance of shares and other securities of the company;
- 7) the entire written correspondence of the company with its shareholders;
- 8) an updated list of the names, surnames and addresses of all elected members of the Board of Directors;
- 9) documents relating to pledge and mortgage;
- 10) the report of the authorized auditor and the report of the authorized appraiser;
- 11) ballot papers and proxies for participation at the General Meeting, in original or copy;
- 12) the collective agreement at the company level;
- 13) the entire documentation related to the approval of transactions with an interested party; and
- 14) other acts and documents as provided by law and this Statute.

Article 142

Each shareholder must be ensured the right to inspect the acts and other documents of the company referred to in Article 141 of this Statute, in the manner determined by this Statute.

The right to be informed regarding the minutes and decisions of the meetings of the Board of Directors shall be exercised through the non-executive members of the Board of Directors.

The General Director may require the shareholder requesting inspection to inform the company in advance of such inspection, within a period not exceeding three days prior to the date of the requested inspection. The shareholder shall be obliged to pay the costs for the requested copies, which may not exceed the actual costs.

The shareholder may not publicly disclose or present the information, except to shareholders, unless exercising a right before a competent authority as determined by law, this Statute or another act of the company, or where such information has already been publicly disclosed.

XVIII. BUSINESS SECRET AND NON-COMPETITION

Article 143

The members of the Board of Directors and other managerial persons and employees of the company shall be obliged to act in loyal cooperation and to protect business secrets.

Loyal cooperation implies the obligation of the persons referred to in paragraph 1 of this Article not to disclose information about the company if such disclosure could harm the interests of the company.

Loyal cooperation entails an obligation to actively protect the interests of the company and to timely notify the Board of Directors if the interests of the company are potentially endangered.

Article 144

Documents and data relating to the operations of the company determined by an act of the executive member of the Board of Directors shall be deemed to constitute a business secret.

By an act of the executive member of the Board of Directors, all documents and data relating to the operations of the company may be designated as business secrets, as well as the manner of marking and safeguarding the documents and data determined as business secrets.

Documents and data deemed to constitute business secrets may be disclosed to third parties only by the General Director.

Article 145

Any employee of the company who, in any manner, becomes aware of any document or data deemed to constitute a business secret shall be obliged to keep such business secret.

Unauthorized disclosure of a business secret shall constitute a serious breach of employment obligations.

Article 146

Disclosure of documents and data deemed to constitute a business secret shall not be considered a breach of the duty of confidentiality where such documents and data are disclosed to persons, authorities and organizations to whom they may be disclosed on the basis of law or other regulations, or on the basis of authorizations arising from the function they perform or the position they hold.

Disclosure of documents and data deemed to constitute a business secret at meetings of the General Meeting or of the Board of Directors shall also not be considered a breach, if such disclosure is necessary for the exercise of their rights and obligations.

Employees of the company who disclose such data at the General Meeting or at the Board of Directors shall be obliged to warn those present that such data and documents constitute a business secret, and those present shall be obliged to keep as a business secret what they have learned.

Article 147

The obligation to maintain a business secret shall continue after the termination of the employment relationship of the employee in the company, the termination of the mandate of a member of the Board of Directors, or upon the termination of the company.

If a person referred to in paragraph 1 of this Article discloses or otherwise reveals a business secret, such person shall also be criminally liable and shall be obliged to fully compensate the company for the material damage.

Article 148

All shareholders and employees in the company shall be obliged to notify the Board of Directors of their intention to establish a new company that will perform the same activity as the company.

The shareholders and employees may establish new companies, but they shall be obliged to notify the founders or, upon establishment of the company performing the same activity as the company, or otherwise, to refrain from competing with the activities of the company.

If the persons referred to in paragraph 1 of this Article act contrary to the provisions of this Article, the profits generated by them shall be deemed to be profits of the company.

Failure to notify the Board of Directors of the intention to establish a company, i.e. a trader-sole proprietor, shall constitute a serious breach of the employees' employment obligations.

Article 149

The Board of Directors may conclude an agreement under the conditions under which the persons referred to in this agreement may establish companies performing the same activity as the company or otherwise, without competing with the activities of the company.

Article 150

The data or reports of the company, determined by law or by this Statute, shall be published in the Official Gazette of the Republic of North Macedonia.

In one daily newspaper in the Macedonian language, data and reports shall be published which the Board of Directors considers to be of importance to the shareholders, and which are not determined to be published in the manner specified in paragraph 1 of this Article.

XIX. TERMINATION OF THE COMPANY

Article 151

The company shall terminate:

- by a decision of the General Meeting adopted by a majority of votes which may not be less than two-thirds of the voting shares represented at the General Meeting at which the decision is adopted;
- by merger by acquisition, merger or division of the company by demerger by formation or demerger by acquisition; and
- by bankruptcy.

XX. AMENDMENTS TO THE STATUTE AND OTHER GENERAL ACTS OF THE COMPANY

1. Method and Procedure

Article 152

This Statute shall be amended by a decision on amendment of the Statute.

The procedure for amendment of the Statute may be initiated by the Board of Directors as well as by shareholders holding at least one-tenth of the total number of voting shares. The initiative in the form of amendments shall be submitted to the Board of Directors.

The proposal for the decision on amendment of the Statute, containing the proposed amendments, irrespective of who initiated them, shall be determined by the Board of Directors. The established proposal for a decision on amendment of the Statute must be reasoned.

Article 153

The decision on amendment of the Statute shall be adopted by the General Meeting.

The decision on amendment of the Statute shall be adopted by a majority of votes which may not be less than two-thirds of the voting shares represented at the General Meeting.

Upon each amendment and supplementation, a consolidated text of the Statute shall be prepared. The General Meeting, by the decision on amendment of the Statute, shall authorize the Board of Directors to prepare the consolidated text for the Statute into which amendments and supplements made by the decision on amendment of the Statute are incorporated, as well as the provisions of decisions having the character of a decision on amendment of the Statute as determined by law.

If the amendments and supplements to this Statute contain data subject to registration in the Trade Register, such amendments and supplements shall mandatorily be published in the Official Gazette of the Republic of North Macedonia.

The General Director shall submit a copy of the consolidated text to the court maintaining the Trade Register.

Article 154

The amendment of the Statute shall enter into force on the day of adoption of the decision on amendment of the Statute, unless another date of entry into force is determined by the decision on amendment of the Statute.

2. Other General Acts

Article 155

Other matters of importance to the company not regulated by this Statute may be regulated, in accordance with the law and this Statute, by other acts of the company adopted by the executive member of the Board of Directors, such as rules of procedure, regulations, decisions, except for collective agreements and others.

Other general acts of the company shall enter into force on the day of their adoption, unless otherwise determined by the respective act.

3. Publication of the Statute and Other General Acts

Article 156

The Statute and the other general acts of the company shall be published on the company's notice board.

XXI. TRANSITIONAL AND FINAL PROVISIONS

Article 157

The general acts of the company determined by this Statute shall be adopted within a period of six months from the day of its entry into force.

On the day of entry into force of this Statute, the Statute of WABTEC MZT AD Skopje No. 05-1210 of 04 March 2013 shall cease to be valid.

Until the adoption of the general acts of the company referred to in paragraph 1 of this Article, the existing general acts of the company shall apply, unless they are contrary to the provisions of this Statute.

Article 158

This Statute shall enter into force on the day of its adoption.

For WABTEC MZT AD Skopje
Paolo Bosio, Executive Member of the Board of Directors and General Director of the Company

Law Office Papazovski & Mitev
Attorney Ivan Mishev