

PROPOSAL OF DECISION ON THE AMENDMENTS AND SUPPLEMENTS TO THE STATUTE OF THE COMPANY FINTEL ENERGIJA AD BEOGRAD

On 01 February 2019, on the basis of the provisions of the Company Law ("Official Gazette of RS" no. 36/2011, 99/2011, 83/2014-other law and 5/2015 and 44/2018 and 95/2018, hereinafter referred to as the Law), and particularly pursuant to Articles 12, 246, 247, 329, the Shareholders' Assembly of the company FINTEL ENERGIJA ad Beograd, registration no.: 20305266 (hereinafter referred to as: the Company), has passed the following:

DECISION ON THE AMENDMENTS AND SUPPLEMENTS TO THE STATUTE OF THE COMPANY FINTEL ENERGIJA AD BEOGRAD

1.

By adopting this Decision on the amendments and supplements to the Statute of the Company, the Statute of the Company shall be changed as follows.

2.

This is to amend Article 3 of the Statute by adding a new paragraph 3 to read as follows:

„The Company's address for e-mail reception shall be as follows:

milan.novakovic@energogreen.com”

3.

This is to amend Article 5 of the Statute by removing the subtitle “Share capital of the Company and Shares”, as well as paragraphs 3 and 4 that follow after the subtitle.

4.

This is to amend Articles of the Statute i.e. from Article 6 to Article 35 to read as follows:

SHARE CAPITAL OF THE COMPANY

Article 6

The share (registered) capital of the Company is the monetary value of the subscribed contributions of the Company's members in the Company that has been registered in accordance with the Law on Registration.

The share capital registered with the Business Registers Agency is 4,056,523.92 RSD.

A difference of 416.50 RSD between the registered capital with the Business Registers Agency and the Central Registry was created on the occasion of change in the legal form of the Company from a limited liability company into a joint stock company when the conversion of shares into the Company's shares was performed by applying mathematical rounding.

The share capital of the Company consists of the share capital (registered), share issuing premiums and other share capital. The share capital of the Company has been subscribed and paid up in total.

COMPANY'S SHARES

Article 7

The Company issued 26,510,506 of ordinary shares in total, with no nominal value, with an accounting value of RSD 0.153 per share. The Company's shares have CFI codes: ESVUFR and ISIN number: RSFINEE60549, which were assigned upon registration by the Central Registry.

Ordinary shares of the Company are issued in dematerialized form. The shares are indivisible, made out to the bearer and registered in the Central Registry. The provisions of the Law on the Capital Market shall apply to the registration of the transfer of rights arising from shares and the registration of rights of third parties to shares.

The Company is organized in the form of a public joint-stock company so that the transfer of shares and rights arising from the shares is free.

Article 8

The holders of ordinary shares of the Company have the following rights:

- 1) right to participate and vote at the Shareholders' Assembly Meeting, whereby one share gives the right to one vote;
- 2) right to dividend payment;
- 3) right to participate in the distribution of the liquidation residue or bankruptcy mass;
- 4) right to preferential acquisition of ordinary shares, and other financial instruments convertible for ordinary shares, from new emissions;
- 5) other rights in accordance with the Law and this Statute.

Ordinary shares can not be converted into preferential shares or other financial instruments.

Article 9

The Company may issue the following types of shares: ordinary and preferential shares.

Within each type of shares, the shares that are enabling the same rights shall make one class of shares.

All ordinary shares shall always make one class of shares.

The Company may issue shares with no nominal value.

In case of issuing preferential shares, the Company shall apply the provisions of the Law and the Law on the Capital Market regulating this matter.

The preferential shares may only be issued for cash deposits.

Article 10

In addition to the shares, the Company may issue other types of financial instruments, in which case the provisions of the Law on the Capital Market and the Law governing the subject matter shall apply.

DISTRIBUTION OF PROFIT

Article 11

After the adoption of the financial statements for the business year, the profit of that year shall be distributed in the following order:

- 1) to cover losses transferred from previous years;
- 2) for reserves if they are provided for by a special law (legal reserves);
- 3) for a dividend.

DIVIDEND AND INTERDIVIDEND

Article 12

Payment of dividends to shareholders may be approved by adopting a decision on the distribution of profits at the regular session of the Shareholders' Assembly meeting, which determines the amount of dividend and the deadline for dividend payment (decision on dividend payment), which can not be longer than six months from the date of the decision on dividend payment.

After the decision on dividend payment is made, the shareholder to whom the dividend is to be paid becomes the trustee of the Company for the amount of that dividend.

The Company is obliged to inform the shareholders to whom the dividend is to be paid about the decision on dividend payment within 15 days from the date of adoption of this decision.

Dividends on shares are paid to the shareholders in accordance with the rights arising from the type and class of shares held on the date of the dividend, and in proportion to the number of shares held in the total number of shares of that class.

An Agreement or act of the Company by which certain shareholders within the same class of shares receive special benefits in terms of dividend payment shall be null and void.

The Company may pay a temporary dividend (interim dividend) at any time between regular sessions of the Shareholders' Assembly in accordance with the Law.

DIVIDEND PAYMENT METHOD

Article 13

The dividend payment can be made in cash or in shares of the Company, in accordance with the decision on dividend payment.

If dividend payment is made in the Company's shares:

- 1) such payment must be approved by the shareholders of the class of shares to which such payment is made according to the voting rules of shareholders within the class of shares,
- 2) each shareholder of a class of shares entitled to a dividend payment is made in shares of that class.

Exceptionally, a dividend can be paid in shares of a different type or class only if such payment is granted by a three-fourths majority vote of the present shareholders of the class of shares to which such payment is made and the same amount of votes of shareholders of the class of shares in whose shares the dividend is paid.

The Company is obliged to notify dividend shareholders about such payment immediately before or after the payment is made, in accordance with the provisions of this law on informing shareholders about the session of the Shareholders' Assembly.

OWN SHARES AND CONDITIONS FOR THEIR ACQUIRING

Article 14

Own shares are shares acquired by the Company from their shareholders and can be acquired directly or through a third party that acquires the shares in its own name and for the account of the Company under the conditions prescribed by the Law.

If the accounting value of own shares exceeds 10% of the share capital, the Company is obliged to dispose of them within three years from the date of acquisition so that the total value of the acquired own shares of the Company is not more than 10% of the share capital.

Own shares do not give rise to the right to vote, the right to a dividend or other income, nor can they be a basis for payment to shareholders, except in case of a capital reduction.

SHARE CAPITAL INCREASE

Article 15

The Company may increase the share capital in cases and in the manner prescribed by positive regulations.

The decision to issue shares for the purpose of increasing the share capital of the Company shall be adopted by the Shareholders' Assembly by a simple majority vote of the present shareholders who have the right to vote, except in the case of the approved capital when such a decision can be taken by the Board of Directors.

The decision referred to in paragraph 2 of this Article shall be registered in accordance with the law on registration within six months from the date of adoption, otherwise it shall be null and void.

SHARE CAPITAL DECREASE

Article 16

The Company may decrease its share capital in cases and in the manner prescribed by positive regulations.

The decision on decrease of the share capital is made by the Shareholders' Assembly by a three-fourths majority of the votes of the present shareholders of each class of shares entitled to vote on the issue, while the Board of Directors may make such a decision in the event of the cancellation

of its own shares, if the authorization is given by a decision of the Shareholders' Assembly in accordance with the Law.

The Decision referred to in paragraph 2 of this Article shall be registered in accordance with the law on registration no later than three months from the date of adoption.

CORPORATE GOVERNANCE

Company's bodies

Article 17

The Company shall be governed as a one-tier structure.

The bodies of the Company are:

- 1) Assembly
- 2) Board of Directors

Changing the type of the corporate governance shall be done by amending the Statute.

1. SHAREHOLDERS' ASSEMBLY

Composition of the Shareholders' Assembly and Shareholder's rights

Article 18

The Shareholders' Assembly is consisted of all the shareholders of the Company.

The shareholder has the right to participate personally in the work of the Shareholders' Assembly including:

- 1) right to vote on the issues their class of shares vote,
- 2) right to participate in discussion on issues scheduled in the daily agenda, including the right to submit suggestions, asking questions related to the daily agenda of the Assembly and getting answers, in accordance with the Statute and Rules of Procedures of the Shareholders' Assembly.

In order to participate personally in the work of the Shareholders' Assembly, the shareholder must possess at least 0.1% of the total number of shares of the appropriate class.

The shareholders who individually do not own 0.1% of the total number of shares have the right to participate in the work of the Shareholders' Assembly through a joint proxy.

For the purpose of adequate organization of the Shareholders' Assembly meeting, shareholders, or their proxies, are obliged to confirm their presence at the Shareholders' Assembly meeting to the Company, i.e. the intention to vote in the absence or participation in the work of the Shareholders' Assembly by e-mail, at the latest three days before the day of holding the session.

Article 19

The shareholder in relation to the Company and third parties is the person who is registered as the legal holder of the shares registered with the Central Registry, and the date of registration with the Central Registry is the date of acquiring the shares.

Competence of the Assembly

Article 20

The Shareholders' Assembly decides on:

- change of statute,
- increase or decrease of the basic share capital, as well as each emission of securities,
- number of approved shares,
- change of rights or benefits of any class of shares,
- status changes and changes of the legal form,
- acquisition and disposal of high value assets,
- distribution of profit and cover of loss,
- adoption of financial statements, as well as the reports of the auditors if the financial reports were the subject of the audit,
- adoption of the Board of Directors' reports,
- remunerations for Directors i.e. rules for their determination, including compensations paid out in shares and other securities of the Company,
- appointment and removal of Directors,
- initiation of the liquidation procedure or submitting proposition for liquidation for the company,
- selection of auditors and compensation for his work,
- other issues in accordance with this law attached to the daily agenda of the Shareholders' Assembly.
- other issues in accordance with the law and Statute.

The high value assets are assets whose purchasing and/or selling and/or market value at the time of making a decision represent 30% or more of the carrying amount of the total assets of the company stated in the last annual balance sheet of the Company.

Sessions of the Shareholders' Assembly

Article 21

The sessions of the Shareholders' Assembly may be regular or extraordinary.

The sessions of the Shareholders' Assembly are summoned by the Board of Directors which determines the agenda of the session by making a decision, as well as the date, time and place of the session.

The sessions of the Shareholders' Assembly are commonly held at the Company's headquarters, while the Board of Directors may decide to hold the meeting elsewhere if necessary for the purpose of facilitating the organization of the Shareholders' Assembly meeting.

Call for the session

Article 22

The call for the session of the Shareholders' Assembly meeting shall be made by posting it to:

- 1) website of the Company,
- 2) website of the Register of Business Entities,
- 3) website of the regulated market, i.e. the multilateral trading platform on which the shares are included and
- 4) website of the Central Registry.

The call to the shareholders for the session of the Shareholders' Assembly (hereinafter: the Call for the session) contains in particular:

- 1) delivery date of the Call;
- 2) time and place of the session;
- 3) proposal of the agenda of the session of the Shareholders' Assembly, with a clear indication of which items on the agenda are proposed for the Shareholders' Assembly to make a decision and to indicate the class and the total number of shares that will vote on that decision and the majority necessary for the adoption of this decision;
- 4) notification that the materials for the Shareholders' Assembly meeting can be downloaded electronically from the website of the Company;

- 5) instruction on the rights of shareholders in relation to participation in the work of the Shareholders' Assembly and clear and precise notification of the rules for their realization;
- 6) notice on the shareholder's day and explanation that only shareholders who are shareholders of the company on that date have the right to participate in the work of the Shareholders' Assembly;
- 7) notice of decisions that represent the disposal of high value assets.

The notice referred to in paragraph 2, item 6) of this Article shall contain in particular:

- 1) information on the rights of shareholders to propose the agenda and the rights to ask questions, specifying the time limits in which these rights may be used,
- 2) description of the procedure for voting through a proxy,
- 3) description of the procedure for voting in absentia.

The Company has no obligation to prescribe a special form of power of attorney or propose proxy to shareholders.

Regular session of the Shareholders' Assembly

Article 23

The regular session of the Shareholders' Assembly shall be held once a year, at the latest within 6 months from the end of the business year.

The regular session of the Shareholders' Assembly is convened by the Board of Directors, and the call for the regular session of the Shareholders' Assembly meeting shall be sent no later than 30 days prior to the day of the meeting, to the persons who are shareholders of the Company on the date the Board of Directors passed the decision on convening the Shareholders' Assembly.

The Board of Directors is obliged to make available to the shareholders the following documents and information for the regular session of the Shareholders' Assembly:

- 1) financial statements, with the auditor's opinion if the audit of the financial statements is mandatory for the Company in accordance with the law governing accounting and auditing;
- 2) proposal for a decision on the distribution of profits, if any;
- 3) text of the proposal for each decision whose adoption is proposed, with explanation;
- 4) text of each agreement or other legal transaction proposed for approval;

5) detailed description of any matter proposed for discussion, with a comment or statement by the Board of Directors;

6) report of the Board of Directors on the state and business of the Company made in accordance with the law regulating the capital market (annual business report), as well as the consolidated annual report on the state and business of the company if the Company is obliged to compile it in accordance with the law regulates the capital market (consolidated annual business report).

In addition to the documents and information referred to in paragraph 3 of this Article, shareholders may also be provided with other documents and information that the Board of Directors considers to be of importance for the work and decision-making of the Shareholders' Assembly.

Extraordinary session of the Shareholders' Assembly

Article 24

An extraordinary session of the Shareholders Assembly shall be held as required, except in cases when the annual or other financial statements prepared by the Company in accordance with the law determine that the Company operates with a loss due to which the value of the Company's net assets has become less than 50% of the Company's share capital, when it is obligatory to convene the session.

An extraordinary session is called by the Board of Directors on the basis of their decision or at the request of shareholders who have at least 5% of the share capital of the Company, i.e., shareholders who have at least 5% of the shares within the voting class of the items on the proposed agenda.

The call for an extraordinary session shall be published no later than 21 days prior to the date of holding the session.

The Board of Directors is obliged to prepare and hold shareholders the following documents and information for the session of the Shareholders' Assembly:

- 1) text of the proposal for each decision whose adoption is proposed, with explanation;
- 2) text of each agreement or other legal transaction proposed for approval;
- 3) ballot paper;
- 4) detailed description of any matter proposed for discussion, with a statement or statement of the Board of Directors.

Shareholders' Day

Article 25

The Shareholder's Day is the day when the list of shareholders that have the right to participate in the work of the Shareholders Assembly is to be determined and it shall be on the tenth day prior to the date of holding the session.

The Company shall determine the list of shareholders referred to in paragraph 1 of this Article on the basis of the excerpt from the unique register of shareholders of the Central Registry.

The shareholder from the list referred to in paragraph 1 of this Article who shall transfer its shares to third party after the Shareholders' day, reserves the right to participate in the work of that session of the Shareholders' Assembly on the basis of the shares he held as at the Shareholders' day.

The Board of Directors is obliged to submit to each shareholder from the list referred to in paragraph 1 of this Article his written request, which may be sent electronically, without delay, and no later than the next working day from the date of receipt of the request, in writing or in electronic form.

President of the Shareholders' Assembly

Article 26

The President of the Shareholders' Assembly shall chair the session of the Shareholders' Assembly.

This is to appoint Tiziano Giovannetti, passport number YA9131516, Republic of Italy, as the President of the Shareholders' Assembly.

The elected President of the Shareholders' Assembly shall perform this function at all subsequent sessions of the Shareholders' Assembly, until the election of the new President in accordance with this Statute and the Rules of Procedure of the Shareholders' Assembly.

Daily agenda

Article 27

Daily agenda shall be determined by the decision on summoning the session of the Shareholders' Assembly made by the Board of Directors.

The Shareholders' Assembly may decide and discuss only about items included in the daily agenda.

One or more shareholders owning at least 5% shares with voting right may suggest additional items to the Board of Directors as follows:

- 1) additional items for the daily agenda of the session which they propose to be discussed by the Shareholders' Assembly, provided that the proposal is explained;
- 2) additional items for the daily agenda of the session that are proposed to be adopted by the Shareholders' Assembly, provided that the proposal is explained and that the text of those decisions are delivered;
- 3) other decisions on the existing items on the agenda, provided that the proposal is explained and that the text of those decisions are delivered;

The proposal from the previous paragraph. of this Article shall be given in writing, indicating the information about the applicants, and may be addressed to the company no later than 20 days prior to the day of the regular session of the Assembly, that is, 10 days before the holding of the extraordinary session of the Shareholders' Assembly.

The Company is obliged to publish the proposal from the previous paragraph on its website no later than the next day after the date of receipt of the proposal.

If the Board of Directors accepts the proposal, the Company is obliged to submit the new agenda and proposed decisions without delay to the shareholders entitled to participate in the work of the Shareholders' Assembly in the manner stipulated in Article 22 of this Statute.

Quorum

Article 28

The quorum for holding the session of the Assembly consists of a simple majority out of the total number of votes of the class of shares with the right to vote on the subject matter.

Own shares of a given class, as well as shares of the class whose right to vote has been suspended, shall not be taken into account when calculating the number of present or presented shareholders in order to determine the quorum.

The quorum also includes votes of those shareholders who voted in absence or electronically.

The quorum at the session of the Assembly shall be determined before the beginning of the work of the Shareholders' Assembly.

The Shareholders' Assembly may decide on the subject matter only if the session of the Shareholders' Assembly is attended by or the shareholders who possess or represent the

necessary number of votes of the class of shares with voting rights on that subject matter are presented at that session.

Repeated session of the Assembly

Article 29

If there is no quorum for the work of the session of the Shareholders' Assembly, the repeated session with the same agenda shall be summoned and will be held at least 30 and at the earliest 15 days counting from the date of the adjourned session (repeated session).

The call for repeated session shall be sent to shareholders at the latest 10 days before the day planned for holding the adjourned session.

If the date for holding the repeated session is determined in advance in the call for the adjourned session, the repeated session shall be held on that date.

The date from the paragraph 3 of this Article may not be the date that falls earlier than eighth nor later than thirtieth day counting from the date of the adjourned session.

Shareholder's day of the adjourned session is also valid for the repeated session.

Quorum for the adjourned session

Article 30

The quorum for the repeated extraordinary session consists of one third of the total number of votes with the right to vote on the subject matter.

If there is no quorum for holding the repeated session of the Assembly or the session is not held in the prescribed period of time, the Board of Directors is obliged to summon the next session of the Assembly.

Decisions in the repeated session shall be made by a majority vote which shall not be less than one fourth of the total number of votes of the voting shares with respect to the issue in question.

The repeated regular session may be held even if the quorum requirement from Article 19 of this Statute was not met.

Voting Committee

Article 31

The President of the Shareholders' Assembly shall appoint the minute-taker and members of the voting committee.

The voting committee shall consist of at least three members.

The voting committee is obliged to act impartially and conscientiously against all shareholders and proxies and to submit a signed written report on its work.

The members of the voting committee cannot be directors, members of the supervisory board, candidates for these functions, as well as those related to them.

Voting results

Article 32

The Company is obliged to publish the decisions made and voting results on all items of the agenda on which the shareholders voted on the website at the latest within three days from the date of holding the session.

The information from the previous paragraph of this Article must be available on the Company's website for at least 30 days.

Majority for decision making

Article 33

The Shareholders' Assembly shall make decisions by a simple majority vote of the present shareholders entitled to vote on a particular issue, unless the law or this Statute proscribes providing a larger number of votes for certain issues.

When determining the number of votes of the present shareholders for the purposes of determining the majority for the decision making process, the votes of the shareholders who voted in writing or electronically shall be taken into consideration.

Article 34

Decisions of the Shareholders' Assembly are commonly made by public vote, unless the Rules of Procedure of the Shareholders' Assembly or the Decision of the Shareholders' Assembly valid for a particular session does not stipulate that voting on all or certain issues is considered confidential.

Voting in absence

Article 35

The shareholders may vote in writing without being present at the session, with the verification of its signature on the voting form in accordance with the law governing the verification of signatures.

The shareholder who voted in absence is considered present at the session when deciding on the items on the agenda for which he voted.

5.

The new Articles 36-62 shall be added to read as follows:

Power of Attorney for voting

Article 36

The shareholder has the right, through the power of attorney, to authorize a certain person to participate in the work of the Shareholders' Assembly on his behalf, including the right to vote on his behalf.

The power of attorney is given in written form and contains all legally prescribed elements.

If a natural person gives a power of attorney for voting, it must be certified in accordance with the law governing the verification of signatures. If the power of attorney is issued in a foreign language and a foreign authority verifies the signature, it must be translated by a court interpreter.

The shareholder or proxy shall be obliged to submit a copy of the power of attorney to the Company no later than three days before the day of holding the session.

If power of attorney is given electronically, it must be signed with a qualified electronic signature in accordance with the law governing electronic signature.

The shareholder who expresses wish to use the possibility of giving power of attorney by electronic means is obliged to confirm to the Company that he/she wishes to use the option of sending the power of attorney electronically.

The shareholder who wishes to use the possibility of giving power of attorney by electronic means is obliged to inform the Company about this.

After the power of attorney is submitted electronically, the shareholder is obliged to notify the Company immediately, but no later than three days prior to the session of the Company, about the given authorization, recommended shipment or fax, stating the date and time of the power of attorney by electronic means and its contents.

It shall be deemed that the power of attorney is revoked if the shareholder personally approaches the meeting of the Shareholders' Assembly.

Minutes

Article 37

Each decision of the Shareholders' Assembly shall be entered in the Minutes.

The President of the Shareholders' Assembly shall appoint a minute-taker who shall maintain the record and will be responsible for the proper preparation of the Minutes.

The Minutes from the session of the Shareholders' Assembly shall be made no later than within eight days from the date of its holding.

The Minutes shall contain elements prescribed by law.

The list of persons who took part in the work of the session of the Shareholders' Assembly shall make an integral part of the Minutes, as well as evidence on the proper convening of the session.

The Minutes shall be signed by the President of the Shareholders' Assembly, the minute-taker and all the members of the voting committee. The Minutes shall be published on the Company's website in the manner and within the deadlines prescribed by the Law.

Failure to do so in the manner prescribed in this Article shall have no effect on the validity of decisions rendered at the session of the Shareholders' Assembly, if the result of the vote and the content of these decisions can be otherwise determined.

1. BOARD OF DIRECTORS

Conditions and restrictions for performing the duties of the Director

Article 38

The Director may become any business-capable person.

The following persons may not be appointed as Directors:

- 1) person who is appointed as director or member of the supervisory board in more than five companies;
- 2) person convicted of a criminal offence against the economy, during the period of five years counting from the date of when the judgement became final, but such a period does not include the time spent on serving the sentence of imprisonment;
- 3) person to whom a security measure has been imposed on prohibition of performing activities that represent the predominant activity of the company for the duration of such a prohibition.

Number of Directors

Article 39

The Company has the Board of Directors consisting of six directors, one of which is executive and five non-executive and independent of the Company within the meaning of the Law.

Directors are registered in accordance with the Law on Registration of Business Entities.

Appointment of Directors

Article 40

Directors shall be appointed by the Shareholders' Assembly.

The proposal for candidates for directors may be given by the shareholders who have the right to propose the agenda of the session of the Shareholders' Assembly.

Non-executive Directors shall supervise the work of Executive directors, propose a business strategy and monitor its execution.

An independent director is a person who is not a related person with directors within the meaning of the Law.

Executive, Non-executive and Independent directors of the Company must fulfill all the legal requirements for appointment and performance of the said functions.

Executive Director

Article 41

The Executive Director manages the affairs of the Company and is the legal representative of the company.

The Executive Director shall comply with the limits prescribed by this Law, the Articles of Association, decisions of the Shareholders' Assembly or decisions of the Board of Directors in the conduct of the Company's affairs.

The Executive director shall inform the Board of Directors in writing about:

- Planned business policy and other principled issues related to existing and future management of operations, as well as deviations from existing plans and projections, giving reasons for this, at least once a year, unless changed circumstances require an extraordinary report
- Profitability of the company's operations, for the session of the Board of Directors at which the Company's financial statements are discussed
- Business operations, income and financial position of the Company, at the quarterly level
- The business operations and business events that are ongoing or expected, which could be of a greater importance to the Company's business and liquidity, as well as on the viability of its business, whenever such circumstances occur or are expected to occur
- Other issues related to their work for which the Board of Directors or any director requested specific reports.

The President of the Board of Directors is obliged to inform the remaining directors of the received or requested reports of the executive director as soon as practically possible, and at the latest at the next next session of the Board of Directors.

Each Director has the right to inspect the submitted reports as well as the right to a copy of the report unless the Board of Directors decides otherwise.

The Board of Directors may decide to submit certain reports to the Board of Directors committee if the Directors estimate that it is necessary for their work.

Mandate of the Director

Article 42

The Director shall be appointed to the period of four years (mandate of the Director).

Upon the expiry of the mandate, the director may be re-appointed.

Co-optation of Directors

Article 43

If the number of Directors is reduced below the number of Directors determined by the Statute, the remaining Directors may appoint a person, i.e. persons who will act as Directors until the appointment of the missing Directors by the Shareholders' Assembly (co-optation).

The number of persons appointed in accordance with paragraph 1 of this Article may not exceed two.

Notwithstanding paragraph 1 of this Article, if the number of elected Directors is reduced below half the number of Directors determined by the Statute, or if it is not sufficient for decision-making or joint representation, the remaining Directors are obliged, with no delay, and at the latest within eight days, to convene the assembly for the appointment of the missing Directors.

The Director appointed by the co-optation mandate ends at the first next session of the Shareholders' Assembly, and can not be hired under conditions more favorable to him than the conditions that the director had in place of whom he was appointed.

Competences of the Board of Directors

Article 44

The Board of Director shall:

- Determine business strategy and business objectives of the Company,
- Conduct operations of the Company and determined internal organization of the Company,
- Conduct internal supervision over business operations of the Company,
- Determine accounting policies of the Company and policies of risk management,
- Responsible for accuracy of business books of the Company,
- Responsible for accuracy of financial statements of the Company,
- Gives and revokes the procurement
- Summons the sessions of the Shareholders' Assembly and determines the proposal of the daily agenda with proposals of decisions,
- Determines emission price of shares and other securities in accordance with the Law
- Issues approved shares, if he is authorized by the decision of the Shareholders' Assembly,
- Determines market value of shares in accordance with the Law
- Passing the decision on acquiring of own shares in accordance with the Law
- Calculates amounts of dividends which in accordance with the Law, this Statute and decision of the Shareholders' Assembly belong to the shareholders, determines the day and procedure of their payment as well as the manner of their payment within authorizations given by the decision of the Shareholders' Assembly,
- Passing the decision on payment of interim dividends to the shareholders, in cases prescribed by the Law,
- Propose to the Shareholders' Assembly the policy of remuneration to the directors and propose employment agreement or engagement of directors on other basis,
- Executes decisions of the Shareholders' Assembly,

- Performs other jobs and passes other decisions in accordance with the Law, Statute and decisions of the Shareholders' Assembly.

Issues within the competence of the Board of Directors can not be transferred to the Executive Directors of the Company, and may be transferred to the Assembly only by a decision of the Board of Directors.

The Board of Directors at the regular session of the Assembly submits the reports prescribed by the provisions of Article 399 of the Law.

President of the Board of Directors

Article 45

The Board of Directors elects one of the Non-executive directors for the President of the Board of Directors.

The President of the Board of Directors summons the sessions and chairs the meetings of the Board of Directors, proposes the daily agenda and is responsible for keeping the Minutes from the session of the Committee.

The Board of Directors may dismiss and elect a new President of the Board at any time, without giving reasons.

The President of the Board of Directors represents the Company in relation with the Executive directors.

The President of the Board of Directors shall be registered in accordance with the Law on Registration.

Method of work and meetings of the Board of Directors

Article 46

The Board of Directors holds at least 4 sessions a year.

A written call for the meeting of the Board of Directors stating the daily agenda and the materials for the meeting shall be delivered to all Directors not later than eight days before the day of the session, unless all the Directors agree differently.

Decisions made at the meeting of the Board of Directors not convened in accordance with the Law, the Statute or the Rules of Procedure of the Board of Directors are not valid unless all the Directors agree differently.

Quorum necessary to conduct meetings and method of conducting meetings of the Board of Directors

Article 47

A quorum for work exists if the majority of the total number of Directors is present.

Meetings of the Board of Directors may be held either in writing or electronically, by telephone, by telegraph, by fax or using other means of audio-visual communication, provided that no Director made objection in writing.

The absent Director may vote in writing when it is deemed they have attended the meeting for the purposes of the quorum.

The Board of Directors decides with the majority of votes of the present members of the Board.

If the votes of the Directors during the decision making process are equally divided, the decisive vote is the vote of the President of the Board of Directors.

Minutes from the meeting of the Board of Directors

Article 48

The Minutes of the Board of Directors are taken at the meetings of the Board of Directors, which contains in particular the place and time of the session, the agenda, the list of present and absent Directors, the essential content of the discussion on each issue of the agenda, the result of the vote and the decision taken, as well as the possible separate opinions of the respective Directors.

The Minutes shall be signed by the President of the Board of Directors, i.e. the Director who, in his absence, chaired the session and shall be delivered to each Director.

Committees of the Board of Directors

Article 49

The Board of Directors may form Committees assisting the Board in the work, especially in the preparation of decisions that the Board makes or supervises the implementation of certain decisions or for performing certain professional activities for the needs of the Board of Directors.

Members of the Committees may be Directors and other natural persons who have adequate knowledge and work experience of importance for the work of the Committee.

The Committee cannot decide on matters within the competence of the Board of Directors.

The Committees are obliged to submit regular reports on their work to the Board of Directors, in accordance with the decision on their education.

Audit Committee

Article 50

The Board of Directors of the Company shall form an Audit Committee, which shall:

- 1) prepare, propose and verify the implementation of accounting policies and risk management policies;
- 2) proposes to the Board of Directors for the appointment and dismissal of persons in charge of performing the function of internal control in the Company;
- 3) supervise the internal control of the Company;
- 4) examine the application of accounting standards in the preparation of financial statements and assess the content of financial statements;
- 5) examine the fulfillment of conditions for the preparation of the consolidated financial statements of the Company;
- 6) conduct the procedure for selecting an auditor of the company and propose a candidate for the auditor of the Company, with an opinion on its expertise and independence in relation to the Company;
- 7) give opinion on the proposal of the contract with the auditor of the Company and, if necessary, provides a reasoned proposal for the cancellation of the contract with the auditor of the Company;

8) supervise the audit process, including determining the key issues to be audited and verifying the independence and objectivity of the auditor;

9) perform other tasks in the domain of the audit, which is entrusted to it by the Board of Directors.

The Audit Committee shall draw up and submit to the Board of Directors reports on the issues referred to in paragraph 1 of this Article at least once a year unless the decision of the Board of Directors stipulates that all or some of the reports shall be compiled and submitted at shorter intervals.

Termination of office

Article 51

The term of office of the Director ceases with the expiration of the period to which he was appointed.

If the Director ceases to fulfil requirements necessary to be the director of the company during his mandate, it shall be deemed that his mandate ceases from the date on which the fulfillment of these conditions ceases.

The mandate of the Director shall cease to exist if the Assembly does not adopt the annual financial statements of the company within the time limit scheduled for holding the regular session of the Shareholders' Assembly.

The appointing of the Director after the termination of office shall be conducted at the first subsequent session of the Assembly until when the Director whose mandate has been terminated shall continue to perform his duties if his place has not been taken by co-optation.

Removal and resignation of the Director

Article 52

The Assembly shall have the right to remove the Director before the expiration of the mandate to which he is appointed without stating the reason. The Director may give his resignation at any time in writing to the President of the Shareholders' Assembly or to the shareholder of the company who owns the largest number of shares with voting right.

The resignation shall produce effect in relation to the Company with the date of its submitting, unless it contains a later date and is registered in accordance with the Law on registration.

The Director of the Company who gave his resignation shall be obliged to continue to undertake affairs that cannot be delayed until the appointment of the new director and not longer than 30 days from the date of registration of such resignation in accordance with the Law on registration.

INTERNAL CONTROL

Article 53

The Company shall hire at least one person in charge of internal control of business and shall meet the requirements prescribed for the internal auditor in accordance with the law governing accounting and auditing.

The person referred to in paragraph 1 of this Article must be employed in the Company and perform only internal control tasks and may not be a director, and appointed by the Board of Directors, upon proposal of the Audit Committee.

Article 54

Internal control duties include:

- 1) control of compliance of the Company's operations with the law, other regulations and acts of the Company;
- 2) supervision over the implementation of accounting policies and financial reporting;
- 3) checking the implementation of risk management policies;
- 4) monitoring the compliance of the organization and activities of the Company with the corporate governance code;
- 5) evaluating the policies and processes in the Company, and proposing their improvement.

The person that manages internal control duties is obliged to regularly report to the Audit Committee or the Board of Directors about the conducted business supervision.

EXTERNAL CONTROL

Article 55

The Company's annual financial statements are subject to audit.

Special and extraordinary audits shall be conducted in cases stipulated by the Law.

ACTS AND DOCUMENTS OF THE COMPANY

Obligation to keep records and documents of the Company

Article 56

The Company shall maintain:

- 1) Articles of Association;
- 2) Decision on the registration of the Company's founding;
- 3) Statute and all its amendments;
- 4) General acts of the Company;
- 5) Minutes of the Shareholders' Assembly sessions and decisions of the Shareholders' Assembly;
- 6) Act on education of each branch or other organizational part of the Company;
- 7) Documents proving the property and other property rights of the Company;
- 8) Minutes from the Board of Directors meetings;
- 9) Annual reports on the Company's operations and consolidated annual reports;
- 10) Reports of the Board of Directors;
- 11) Records on the Directors' addresses;
- 12) Agreements the Company has concluded with Directors or persons connected with them in the sense of the Law.

The Company is obliged to keep the documents and acts referred to in paragraph 1 of this Article at its headquarters or elsewhere that is known and accessible to all Directors.

Documents and acts referred to in paragraph 1 item. 1) to 5), 8), 9) and 12) of this Article, the Company shall keep permanently and the remaining documents and acts referred to in paragraph 1 of this Article for at least five years, after which they shall be kept in accordance with the regulations on archival material.

Access to documents and documents of the Company

Article 57

All shareholders of the Company have the right to submit a written request to the Board of Directors, with all mandatory elements prescribed by the Law, that the acts and documents referred to in Article 56, paragraph 1, items 1) to 5) and 9) shall be made available for inspection and copying at their own expense during working hours, while former shareholders exercise this right only in respect of acts and documents in force at the time when those persons were shareholders.

The obligation referred to in paragraph 1 of this Article shall be deemed to have been made if the Company has enabled free access to and download from the Company's Internet site, free of charge.

A person who has been authorized to inspect the acts and documents of the Company is obliged to keep as a business secret and secret data all the information and/or documents he might come across on such occasion.

CHANGE IN LEGAL FORM

Article 58

By changing the legal form the company shall transfer from one legal form to another legal form in accordance with the Law and changes in the legal form of the Company are applied according to the provisions on the Law on the establishment of the date of the Company, unless otherwise provided by the Law.

If the Company, as a public joint stock company, changes the legal form, it must fulfill the requirements for the cessation of the characteristics of a public company that are prescribed by the Law governing the capital market.

The provisions of the Law shall apply accordingly to the adoption of the Decision on changing the legal form, the manner and deadlines for registering a change in the legal form.

STATUS CHANGES

Article 59

By a status change, the Company is reorganized by transferring assets and liabilities to another Company, while the shareholders in that Company acquire stakes i.e. shares.

Status changes are conducted in accordance with the Law and cannot be contrary to the provisions of the law regulating the protection of competition.

TERMINATION OF THE COMPANY

Article 60

The Company ceases to exist by its removal from the Registry of Business Entities based on:

- 1) conducted liquidation or forced liquidation procedure in accordance with this Law;
- 2) conducted bankruptcy procedure in accordance with the law governing bankruptcy;
- 3) status changes resulting in termination of the Company.

AMENDMENTS TO THE STATUTE

Article 61

The Company is obligated to perform at least once a year the amendments to the Statute for the purpose of harmonization of the data prescribed by the provision of Article 246, paragraph 1, item 3, and item 4 of the Law, if in the previous year there was a change of such data.

Amendments to the Statute shall be made in writing.

The legal representative of the company is obliged to draft and amend the consolidated text of the document after each amendment to the Statute.

Amendments to the Statute, after each such change, shall be registered in accordance with the Law on Registration.

FINAL PROVISIONS

Article 62

Amendments to the Statute shall produce a legal effect on the eighth day from the date of posting it on the Company's website.

By entering into force of these amendments to the Statute and by drafting the consolidated text of the Statute, the Company Statute ceases to be valid from 12.04.2018.

Explanation

The provision of Article 246 of the Law stipulates that the Company shall make amendments to the Articles of Association at least once a year in order to harmonize the data to which the changes occurred in the previous year, which relate to the amount of the subscribed and paid up capital, as well as the essential elements of the issued shares of each type and class in accordance with the law governing the capital market.

In accordance with the Decision on issuing public offering of ordinary shares of III issue, in order to increase the basic capital and to participate in trading on a regulated market through the public bid, the Company made subscription and payment of shares in the period from 01.08.2018 until 29.10.2018.

Bearing in mind the above said, it is necessary to amend the Statute in order to harmonize the data relating to the share capital and shares of the Company, as well as to the management of a Company operating as a public joint stock company.

Bearing in mind the above said, the decision was made as in the enacting term of the Decision.

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Tiziano Giovannetti,

President of the Shareholders' Assembly

