

**MACEDONIAN STOCK EXCHANGE
AD SKOPJE**

Consolidate text

**STATUTE
of the
MACEDONIAN STOCK EXCHANGE**

Skopje, September 2007

Pursuant to article 418 from the Law on trade companies, article 41 from the Statute of the Macedonian Stock Exchange (hereinafter: MSE) and Decision no.02-1041/1 for changes and amendments to the Decision no.02-2211/1 for changes and amendments to the Statute of the MSE JSC Skopje with consolidated text and Decision no.02-1040/1 for increasing of the basic capital of the MSE from company's assets through issuing third emission of shares adopted by the Shareholders Assembly of the MSE on the meeting held on 10.05.2007, Board of directors on its LIX session held on 03.09.2007 adopted the following consolidated text of

STATUTE of the Macedonian Stock Exchange JSC Skopje

1. GENERAL PROVISIONS

Article 1

This Statute shall determine issues related to the corporate structure and governance of the MSE as well as other provisions significant for the MSE according to a law.

MSE shall have a status of a legal entity.

2. TITLE AND HEAD OFFICE

Article 2

The full title of the joint-stock company shall be MACEDONIAN STOCK EXCHANGE FOR SECURITIES JSC. SKOPJE.

The short title of the joint-stock company shall be "MACEDONIAN STOCK EXCHANGE JSC. SKOPJE"

The MSE head office shall be in Skopje, at 20, Mito Hadzivasilev Jasmin Street.

Article 3

The MSE shall have its own trademark which form and usage shall be determine by the Board of directors .

The MSE shall have a seal and a stamp, which form, maintenance and usage shall be determine by the Board of directors in accordance to a law.

3. SUBJECT OF OPERATION OF THE STOCK EXCHANGE

Article 4

Due to the scope of its operation, the MSE shall perform and provide the following activities:

- (a) collection of offers to buy and sell securities;
- (b) market formation of the prices of securities traded on the MSE;
- (c) execution of trades in securities;
- (d) clearance and reporting of the realized transactions in securities;
- (e) compliance with the rules and standards of the MSE, provisions from the Law on Securities and the regulations adopted hereunder by the MSE members;
- (f) protection of the interests of investors with respect to securities;
- (g) admission of securities for trading on the MSE, including listing of securities; and
- (h) informing the public on issues relevant for the operation of the MSE;
- (i) publishing books, booklets, newsletters, video-cassettes, compact disks and other publications; and
- (j) organizing counseling, seminars and other forms of educational counseling.

4. BASIC PRINCIPAL IN MSE OPERATION

Article 5

Basic principals on which MSE operation is grounded are respecting of legal provisions from the securities legislation as well as providing fair, efficient and transparent manner in functioning of the securities market.

5. DURATION OF THE STOCK EXCHANGE

Article 6

The MSE is founded for an unlimited period.

6. BASIC CAPITAL AND SHARES

6.1. The amount of the basic capital

Article 7

The basic capital of the MSE shall be in money terms and equals 1.695.029,03 EUR.

Article 8

The basic capital consists of 2.792 ordinary shares with a face value of 607,10 EUR per share.

Article 9

Shareholder in the MSE may be domestic or foreign legal entity or physical person.

A shareholder, together with all of its affiliates, may not own more than 10% of the voting shares of the MSE according to the law.

6.2. Increasing of the basic capital

Article 10

The increase of the basic capital of the MSE may be carried out by contributions, by conditional increase of the basic capital, by authorized capital and from the assets of the MSE.

The decision on increasing of the basic capital shall be taken by the Shareholders Assembly of the MSE with at least two thirds of the voting shares represented at the Assembly.

Article 11

In a case of increase of the basic capital , MSE may issue ordinary or priority shares, as determined in the decision for issuing shares.

MSE may issues shares that will be sold above their face value (emission value). All funds that MSE will acquire due to the difference between face and sale value of the shares shall be consider as premium of the issued shares.

Article 12

The Board of directors of the MSE may increase the basic capital up to certain nominal value (authorized capital) by the issue of new shares by way of contributions, for a maximum period of five years following the entry of this Statute in the trade registry. Due to approval of this Statute, such increase shall be consider approved in a period of five years from the entry of this Statute in the trade registry, according to the law.

The nominal value of the authorized capital may not exceed one half of the basic capital stated in this Statute.

Shares due to this article may be issued only upon having obtained the consent of the majority of the non-executive members of the Board of directors.

Article 13

Increase of the basic capital from the MSE assets may be carried out by the issue of new shares.

Article 14

New shares issued in accordance to a law, this Chapter or Shareholders Assembly decision for increase of the basic capital participate in the profit of the company for the business year in which they are issued.

6.3 Decrease of the basic capital

Article 15

Basic capital of the MSE may be decrease with decision adopted by the Shareholders Assembly, but it may not be decreased below the minimum nominal value determined by a law.

Any decrease of the basic capital shall be subject to the decision adopted by the Shareholders Assembly by a majority of votes that may not be lower that two thirds of the votes attaching to the shares represented at the Shareholders Assembly.

6.4 Other issues related o the MSE shares

Article 16

MSE may in accordance to a law and this Statute issues convertible bonds in amount up to its basic capital, which shall granted the creditors rights to convert them into shares in a certain period of the certain option or at any time during validity of the bond.

Convertible bonds from the paragraph 1 of this article shall be issued on a manner and procedure applicable to the issuance of shares according to this Statute.

Article 17

Shareholders Assembly may in accordance to a law, approve conclusion of options agreements for buying and selling shares and bonds issued by the MSE. The manner and conditions for entering this options agreements for buying and selling shares and bonds issued by the MSE shall be determined by the decision of the Shareholders Assembly for approving such agreements.

Article 18

MSE may, in accordance to the law buy treasury shares. The decision for repurchase of treasury shares shall be adopted by the Shareholders Assembly with a simple majority of shares represented at the Shareholders Assembly.

7. RIGHTS, OBLIGATIONS AND RESPONSIBILITIES OF THE SHAREHOLDERS

Article 19

Each ordinary share grants right to vote on the Shareholders Assembly of the MSE except in a case of restriction prescribed by a law.

Article 20

A Shareholder of the MSE shall be consider any person registered in the shareholders book on a manner prescribed by a law.

Status of a shareholder shall be granted to any domestic or foreign physical or legal person that acquired shares according to a law. Shareholders shall exercise the rights from the day of his/her entry into the shareholders book, unless otherwise prescribed by a law.

Status of a shareholder of the MSE and rights attached with it shall be ceased from the moment of deleting from the shareholders book.

Article 21

Under same conditions, shareholders have equal status.

Article 22

Shares are registered in the shareholders book of the MSE which is kept in dematerialize form as an electronic entry and is maintained by the Central Securities Depository JSC Skopje (hereinafter: CSD) according to the law and secondary regulations issued by the Securities and Exchange Commission (hereinafter: SEC) and CSD.

In the shareholders book are entered data determined by a law, data determined by decisions for issuing shares as well as all burdens and restrictions on the shares.

Article 23

Shareholders may not request for refunding of the shareholders capital until MSE exists, nor in a case of bankruptcy procedure. In a case of liquidation procedure

opened over MSE, the shareholder has a right of participation in return of the liquidation capital of the MSE that remains after covering creditors' claims.

The participation in the diversification of the rest of the liquidation asset is determined on a same manner as participation in profit distribution.

Article 24

For all its liabilities, the MSE shall be liable with all its assets.

Shareholders are not liable for the liabilities of the MSE.

8. MSE ACTS

Article 25

MSE acts for which adoption, changing and amending an approval from the SES is required are:

- Statute of MSE;
- Membership rules;
- Trading rules;
- Listing rules;
- Arbitration rules
- Disciplinary rules
- All acts related to the fees charged by the MSE for realization of the securities transactions
- Decisions for merging with other stock exchanges.

The Membership rules, among other, regulates conditions for acquiring membership status, rights and duties of members of the MSE, criteria and documents required for admission of individual members to the MSE and their rights and duties.

The Trading rules, among other, regulates the method of organizing the information system related to the trading with securities.

The Listing rules, among other, defines various market segments of the MSE, the requirements for entering certain security on certain market segment and especially the conditions that have to be meet by the issuer and the issued securities for listing on the Official market (listing) as well as continuous obligations of the issuers whose securities are listed on the MSE Official market.

The Arbitration rules, among other, regulates method of resolving disputes between members of the MSE as well as disputes between members of the MSE and their clients.

The Disciplinary rules, among other, regulates reasons for denying members in the operation of the MSE as well as method of control conducted by the MSE itself over its members.

The acts related to the fees charged by the MSE for realization of the securities transactions regulate the amount of fees which MSE charges for realization of the securities transitions.

Board of directors may adopt other acts in which operation of the MSE shall be regulated.

9. GOVERNANCE OF THE MSE

Article 26

The following shall be the management bodies of the Stock Exchange:

- MSE Shareholders' Assembly;
- Board of Directors.

9.1. MSE Shareholders' assembly (hereinafter: the Assembly)

Article 27

Meetings of the Shareholders' Assembly shall be called by the Board of directors.

A meeting of the Assembly may be called by the shareholders themselves on a manner prescribed by a law.

The meeting of the Assembly is called by an invitation which a content and on a manner prescribed by a law.

If the invitation is not delivered to each shareholder individually, the invitation for the Assembly is published in a daily newspaper.

Meetings of the Assembly are usually held at the MSE headquarters, except in a case of different location. The location is determined by the Board of directors.

The period between the date of sending the invitation for participation at the meeting, and the convening of the meeting shall not be more than fifty days nor less than twenty one days prior to the date of holding the meeting.

Materials for the meeting must be available to the shareholders on a day the invitation is sent.

Article 28

The Assembly shall only pass decisions upon issues expressly set out by a law and this Statute as a issues that are in the competences of the Assembly, and in particular :

- the amendment of the charter;
- the approval of the annual accounts, financial statements and the annual report on the operations of the MSE for the preceding business year and decision making on the distribution of the profits;
- election and dismissal of members of the Board of directors and determination of the amount of compensation that will be paid to non-executive members of the Board of directors;
- approval of the operations and management of the company's business by the members of the Board of directors;
- alteration of the rights attached to particular types and classes of shares;
- increase or decrease of the company's basic capital;
- issue of shares and other securities;
- adoption of the Operational program and creating the business policy of the MSE;
- election of the members of the Arbitration commission'
- appointment of the certified auditor to audit the annual accounts and other financial statements;
- approval of the major transactions whose subject is an asset in amount above 50% of the book value of the total MSE asset, in accordance to the procedure for approval of the major transactions prescribed by the Law on trade companies;
- reorganization and termination of the MSE.

The Assembly may not decide on matters related to the governance of the company or the management the company's operations, which are under the competence of the Board of directors.

Article 29

The Assembly may convene regular annual meetings as well as extraordinary meetings.

An annual meeting of the Assembly shall be is convened every year (annual meeting). The annual meeting shall be called no later than three months after the preparation of the annual accounts, the financial statements and the annual report on the operations of the MSE for the preceding business year, but no later than six months after the end of the calendar year.

On the annual meeting, the Assembly shall:

- examine the annual accounts, financial statements and the annual report on the operations of the MSE and adopt decision for their adoption;
- decide upon the use of the net profit or the coverage of the losses; and
- decide upon approval of the work of the member of the Board of directors.

If the annual meeting of the Assembly shall not be called or if the annual meeting by any reason is not convene within the period prescribed in paragraph 1 of this article, a decision for calling annual meeting may be reached by a court upon proposal of any shareholder.

Article 30

Each shareholder has a right to participate in the work of the Assembly and has a right to one vote for each share registered on his/her name in the shareholders book.

Shareholders that are legal entities may participate on the Assembly through its representative by the law.

A shareholder may nominate and authorized a person to represent him/her and to vote on his/her behalf at the Assembly by notarized proxy.

The authorization is valid only for one meeting of the Assembly, except otherwise determined by the proxy.

Article 31

The Assembly may operate if certified participants who own at least a majority of the total number of the voting shares are present or represented at the meeting.

Any shareholder who intends to participate on the meeting of the Assembly shall be obliged to registered his/her participation, no later prior to the commencement of the scheduled meeting.

A list of registered shareholders shall be prepared by the executive directors and shall be signed by each by each present shareholder or his proxy representative, by which he certifies his presence at the meeting.

Prior to the start of the meeting of the Assembly, the executive directors shall compare the list of registered shareholders with the shareholders' register, obtained from the Central Securities Depository, forty-eight hours prior to convening the meeting.

The signed list shall be certified by the signatures of the chairman of the meeting Assembly and the minutes taker. Following the certification of the list, the chairman of the meeting of the Assembly shall confirm that the meeting has an operating quorum.

All participants at the meeting of the Assembly shall have access to the certified list prior to the initial voting. Any certified participant at the meeting may request a copy of the signed list at his own expense, which may not exceed the administrative cost thereof.

Article 32

The Assembly elects a chairman who shall preside over the meeting (hereinafter: "chairman of the Assembly") from the shareholders or a person represented a shareholder. A member of the Board of directors may not however be elected as a chairman. The chairman shall determine the course of the meeting and maintain the order at the meeting of the Assembly, and he may establish rules for conducting the meeting. A chairman shall be elected for each meeting. The term of office of the chairman shall run until the election of a chairman for the next meeting of the Assembly that is to be convened.

Article 33

Minutes of the activities of the Assembly shall be kept.

The Assembly elects a person who will keep minutes (hereinafter: minutes taker) which may be notary as well, and may elect two votes counter that do not have to be shareholders.

The minutes shall be prepared within eight days from the day the meeting of the Assembly is convened and shall be signed by the minutes taker and the chairman of the Assembly.

In a case the minutes are kept by a notary, it shall be prepared no later than three days from the day the meeting of the Assembly is convened and shall be signed by the notary and the chairman of the Assembly.

The Minutes of the Assembly with the enclosures thereto shall be kept for at least ten years.

Article 34

Decisions at the meeting of the Assembly shall be passed with a majority of the voting shares represented at the meeting, unless the Law on trade companies or this Statute provides for a greater majority and/or prescribes other conditions in relation to the majority for passing decisions.

Article 35

The Assembly shall decide on a manner of public voting.

Upon request of one or more shareholders who have at least one tenth of the total number of voting shares, the meeting of the Assembly shall conduct secret voting.

Article 36

Accept personal attendance at the Assembly, the Assembly may pass decisions by convening meetings through conference call network or without convening meeting in accordance to the Law on trade companies.

Article 37

The decisions of the Assembly shall enter into force on the date of their adoption, unless the decision specifies another date of effectiveness.

Article 38

A shareholder may not vote at the Assembly on a decision which exempts him personally from a liability, payment of receivable that MSE has against him/her or from obligations or which grants him certain advantages or privileges by the MSE, or on a decision initiate court or other proceedings against him, unless otherwise stipulated by a law or this Statute. In such cases, the shareholders shall neither exercise his voting right personally not through a proxy representative.

A shareholder, who for its own benefit or for the benefit of third party has interest in certain issues contrary to the interest of the MSE and is aware of such contrariety, must not vote for such issue nor personally neither through a proxy representative on his own behalf or for the behalf of third party.

A shareholder who acted contrary to paragraph 2 of this article shall be liable for damages suffered by the MSE, unless he proves that a majority vote would have been reached even without his vote.

An agreement obliging the shareholder to exercise his voting right according to the instructions of the MSE or the Board of directors shall be null and void. An agreement obliging the shareholder to vote for each proposal of the Board of directors shall also be deemed null and void.

9.2 Board of directors (hereinafter: the Board)

Article 39

The Assembly shall elect member of the Board of directors on a manner of public voting.

The Assembly may, during the meeting on which new members of the Board are elected, decide the election to be conducted by cumulative voting.

The Board consists of 9 (nine) members, out of which 7 (seven) non-executive members and 2 (two) executive members.

At least one fourth (1/4) out of total number of the non-executive members serve as an independent members, which shall be notified during the election.

At least one third (1/3) of the Board shall be individuals who are not employed by the MSE or affiliated with any shareholder, member of the MSE or a legal entity - licensed securities market participant.

Article 40

The term of the members of the Board shall last for 4 years.

Only physical persons which has legal capacity may be elected as a members of the Board.

Member of the Board must have experience in the field of finance and/or business law for at least three (3) years.

Article 41

The Board shall manage the MSE.

The Board of Directors, within the competencies determined by this Statute, law and authorisations granted explicitly by the Assembly, has the broadest authorisations for the activities on behalf of the Stock Exchange.

The Board of Directors shall operate and take decisions in the manner regulated by this Statute.

In the realisation of its activities, the Board shall:

- propose the business policy of the MSE;
- prepare proposals to the Assembly;
- implement decisions and other acts of the Assembly;
- pass MSE acts, except for those that are under the authority of the Assembly;
- appoint and dismiss the members of the Committee;
- manage, govern and give directions in the operations of the MSE;
- perform control over operations of the MSE';
- take decisions on membership status of participants in the trading on the MSE;
- take care of the interests of the MSE and for the legality of its operations, for realization of its functions and achievement of goals, as well as for the financial operation and stability of the MSE;
- interpret acts of the MSE that it enacts and take adequate decisions;
- take decisions due to its authorities stipulate in the MSE acts;
- pass the Operational Rules of the Board of Directors;
- perform other activities determined by this Statute, law and MSE acts.

Other than the competencies of the Board prescribed in paragraph 4 of this article, the Board shall have the following special competencies:

- takes decision on admission and dismissing from the membership at the MSE of a licensed market participant;
- takes decisions on listing and delisting of securities;
- gives directions to the executive directors of the MSE;
- decides upon appeal on the decisions reached by the executive directors in accordance to the MSE acts;
- delegates part of its competencies to the executive directors;
- gives directions in the form of circulars to members from time to time for the purpose of enforcing or implementing the Statute of the MSE and MSE acts;
- suspends all or part of the activities on the MSE in the event of an unpredicted problems and to undertake appropriate measures for their solving;
- exercises all its other legal powers as are necessary to enforce the Statute of the MSE and MSE acts.

Article 42

Board members must declare at all times any actual or potential conflict of interests. The Board member, in case of existence of conflict of interests, may not participate in the activities of the Board with respect to that issue and vote when making the decision.

Board members must declare to the executive directors of the MSE all directorships of or major shareholdings in companies listed on, or which are members of the MSE and their positions in any such companies, partnerships, whether formed in Macedonia or abroad.

Article 43

The prime duties of all Board members are:

- to act bona fide in the interest of the MSE;
- to respect the confidentiality of the opinions, positions and documents presented by the Board;
- not to use for their own benefit or for the benefit of a third party any confidential information;
- to maintain at a high level the integrity of the MSE in the public.

Article 44

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

The President of the Board be responsible for the operations of the Board, he shall convene and chair the sessions of the Board of Directors. As a rule, the sessions shall be convened by written invitation sent to each member of the Board not later than 5 days before the date of the session.

The President of the Board shall convene the session of the Board whenever he considers that as necessary or on the basis of a written request of the one executive director or three non-executive members of the Board.

If the President of the Board of Directors is prevented from chairing a session, the session shall be chaired by a non-executive member of the Board who will be elected by the Board .

Article 45

The Board shall perform its activities in sessions.

The Board shall convene sessions every time when performing its activities due to its competences required so.

The Board of Directors may take valid decisions in the presence of at least half of all its members.

The decisions shall be reached with majority of votes of the present members.

The decisions and conclusions of the Board of Directors may be reached without holding a session, in written form. In such case, all members of the Board shall give their consent for reaching decision without holding a session, according to the Operational Rules of the Board of Directors..

The vote of the President of the Board of Directors shall be the casting vote in case of division of votes.

Decisions reached by the Board enter into power on a day they are reached, unless otherwise prescribe by a law.

Article 46

Non-executive members, other than their competences prescribed by a law in conducting control over work of the executive directors, have right to review the books and documents of the MSE, as well as its assets. Non-executive members may engage any employee of the MSE or other expertise person to perform some expertise work while controlling.

Article 47

The member of the Board must perform his authorization given by a law and this Statute for the benefit of the MSE and benefit of all shareholders with the attention of an accurate and conscientious tradesman and may not delegate his authorizations to other member of the Board.

The members of the Board of Directors are obliged to keep as a business secret any confidential reports and information regarding MSE operations.

While performing their duties, members of the Board may rely on the information, opinions or reports prepared by independent legal counselors, independent certified accountants and certified auditors and other persons, for whom it is to believe that are trust worthy and competent to perform such work, which does not mean that they are released from a duty to perform with the attention of an accurate and conscientious tradesman.

Article 48

Minutes of the operations of the Board shall be kept.

The Minutes must contain the names of the present members of the Board, the subjects of the discussions, adopted decisions and conclusions by indicating the ratio of the votes. Each member of the Board who voted against certain proposal or conclusion may ask for the reasons for his opinion and position to be included shortly in the Minutes. The Minutes shall be signed by each present member of the Board and if someone fails to sign it, the reasons for this should be noted, if it was given.

The Minutes, signed by present Board members, and all decisions, conclusions and other acts prepared in a written form, shall be submitted to the persons responsible for the execution and one copy shall be stored in the MSE archive.

Article 49

The Assembly may dismiss all members of the Board at any time prior to expiration of their term. Majority of votes attached to the voting shares represented at the Assembly is required for reaching decision for dismissal of the members of the Board.

Article 50

Type and amount of the remuneration for the non-executive member shall be determined in a decision reached by the Assembly. Non-executive members of the Board have right to other contributions (travel and other costs), right to life insurance and other type of insurance, as well as other rights attached to performance of their function (using working premises, operation tools, etc).

Article 51

The Board may create one or more committees from its members or from other persons.

Committee may neither decide upon issues in the competences of the Board, nor be delegate with their rights and duties.

9.3 Executive members of the Board

Article 52

Only physical persons that are accordingly qualified in the area of economy, finance or business law may be nominated for the executive members of the Board.

The executive member of the Board must hold a license for operation with securities issued by the SEC.

Upon election, the executive members of the Board shall obtain an approval for directors from the SEC.

Article 53

The rights and obligations of the executive directors, which are not in the scope of competences determined in this Statute, in addition to those determined by the law, shall be determined in the agreement governing the relations between the executive directors of the Board of Directors and the MSE.

On behalf of the MSE, the contract shall be concluded by the non-executive members of the Board and shall be signed by the President of the Board.

Such contract shall be signed within 30 days from the day of entering of the executive members of the Board in the trade registry.

Article 54

The non-executive members of the Board shall appoint and dismiss the executive members of the Board.

Out of the executive members, the Board shall elect Chief Executive Officer and Executive Director.

Article 55

The Chief Executive Officer shall have the following competences:

- manages and organizes the operations of the MSE;
- represents the MSE, signs documents on its behalf and represents the MSE in a relations with third parties;
- proposes the basic principles of the MSE's business policy and organizational program;
- implements decisions of the Assembly and the Board of MSE i.e. secures their implementation;
- co-ordinates and organizes legal, administrative and financial operations of the MSE;
- take cares for the listing of the companies and follows their operations;
- proposes to the Board appointment and dismissal of he persons with special authorizations and responsibilities in the MSE;

- decides on deployment of the employees depending on the needs of the operations;
- proposes to the Board the manner of the engaging external employees and other external collaborators depending on the need of the MSE;
- decides on supplies and capital investments according a decision of the Board;
- as a part of its function, attends meetings of the MSE bodies and prepares reports where required;
- performs other activities in accordance with this Statute, the Operational Rules of the MSE and other MSE acts.

The Chief Executive Officer or a person authorized by him, represent the MSE in the public and gives statements, if appropriate.

Article 56

The Executive Director shall be responsible for:

- representing the MSE in front of third persons except in front of SEC;
- trading and surveillance over the trading on the MSE;
- information system and technical support;
- acceptance and monitoring the operations of the members in the trading;
- as a part of its function, attends meetings of the MSE bodies and prepares reports where required.

Article 57

Notwithstanding competences stipulated in the article 55 and article 56 of this Statute, the executive members of the Board have the following special competences:

- surveillance over trading through trading system and undertaking necessary steps for maintaining regular and efficient trading according to the MSE acts;
- temporary suspension from trading as well as revising and nullifying of concluded transaction with any securities according to the MSE acts;
- periodically reports to the Board on all issues related to the MSE or in a cases when necessary;
- submitting proposal for initiating disciplinary procedure;
- reaching decisions and other individual legal acts in accordance with its authorities arising from the MSE acts;
- performing other activities according to its authorities stipulated in the MSE acts.

Article 58

For the competences from the articles 55, 56 and 57 from the Statute, it shall be decided i.e decisions shall be reached with mutual consent of the Chief Executive Officer and Executive director.

If consent between executive members can not be reached on certain issue, the final decision shall be reached by the Chief Executive Officer.

In a case of absence of mutual consent between executive officers for certain issue, the executive Director of the MSE may ask such issue to be discussed in the forthcoming regular session or to ask for an emergency session of the Board, to discuss thereof.

Article 59

In a case one of the executive directors is not capable to perform its work or is absent from any reason, the other executive member completely performs activities of the both executive members of the Board, until termination of the prevention of the executive member or until reaching appropriate decision by the Board.

Article 60

The executive member of the Board may be dismissed at any time from his position by the Board with an appropriate explanation. The membership of the dismissed executive member of the Board shall be suspend until the following Assembly of the shareholders at which it shall be decided whether he will be dismissed prior to the expiry of his term of office.

The executive member of the Board may be dismissed prior to the expiry of his term of office if SEC withdraw the consent for director.

The dismissed executive member shall be entitled to request compensation if it is agreed in the agreement governing the relations between the executive member and the MSE.

Article 61

The executive members of the Board shall at least once in a three-month period submit a written report on the operations of the MSE to the non-executive members.

The executive members of the Board shall after the expiry of the business year submit the annual accounts, financial reports and the annual report on the operations of the MSE to the Board.

At the request of the non-executive members, the executive members are obliged to prepare a separate report on the condition of the MSE or on some particular aspects of its operations.

The non-executive members shall be authorized to undertake actions by themselves or through other persons in order to get an insight into the operation of the MSE and its management by the executive members of the Board.

Article 62

The executive members shall be authorized on behalf of the MSE due to their competences stipulated in this Statute, to conclude contracts and to perform other legal actions, as well as to represent the MSE before the courts and other state bodies and third parties.

Article 63

Upon their authorization, due to their competences stipulated in this Statute, the executive members may authorize other persons with special authorities to represent them while performing commercial, financial, accountant, informational and legal matters.

10. OTHER BODIES ESTABLISHED BY THE MSE

Article 64

Within its authorities, MSE shall establish special bodies as:

- a) Listing commission, which shall propose to the Board listing or delisting of the securities on a basis of reviewing of the securities of the issuer and according to the criteria and conditions set forth in the legal and other acts as well as on a basis of special criteria in the Listing rules adopted by the Board.
- b) Disciplinary commission which shall perform disciplinary procedure according to the Disciplinary rules and shall propose to the Board imposing disciplinary measures against MSE members and brokers;
- c) Arbitration commission which according to the Arbitration rules of the MSE shall perform the arbitration procedure and shall reach decisions in a case of dispute among member of the MSE , among member of the MSE and their clients as well as member of the CSD and among member of the CSD and their clients.,

11. MANNER OF DISCLOSURE OF INFORMATION

Article 65

The MSE shall inform the public regarding the trading with securities according to the law.

The MSE shall submit daily, weekly, monthly and annually reports on its operations to the SEC.

12. MANNER OF PREVENTION OF ABUSE OF INFORMATION

Article 66

The MSE acts shall contain provisions which bind members in the trading to keep complete records and conduct thorough control for the purpose of securing all data related to transactions of their clients.

The MSE shall control the security of its systems in order to constantly preserve the confidentiality of the data.

The MSE is obliged to submit the data to the SEC upon a written request by the SEC.

Each employee of the MSE who has confidential business data and information that are not publicly available yet and may affect the prices of the MSE market material, must not use them in order to acquire property or any other benefit for himself or for any other person.

The Board shall monitor the conformity with regulations for insider information abuse and shall undertake measures for implementation of these regulations.

13. PUBLISHING OF THE MSE ACTS

Article 67

The Statute of the MSE, its changes and amendments, as well as MSE acts shall be distributed to the MSE members and shall be published on the MSE web site.

Individual acts adopted by the Board or executive directors which are of internal nature may be announced on the notice board in the premises of the MSE.

Article 68

All MSE acts and information relevant for the operation of the MSE which are not considered business secret, shall be published and distributed through the informational and communications system of the MSE to which all members of the MSE are connected.

14. PROCEDURE FOR AMANDING THE STATUTE

Article 69

Initiative for modification or amending of the Statute may be submitted by:

- the Board of Directors; and
- the shareholders who hold more than 10% of the MSE basic capital.

The initiative shall contain explanation of the need for modifications and amendments to the Statute.

The initiative for modifications and amendments to the Statute shall be reviewed by the Board and shall give an opinion on such an initiative if it is not made by the Board itself.

Article 70

If the Board accept the initiative for modifications and amendments to the Statute, it shall establish an working group responsible for preparation of the draft amendments, stating the guidelines for its preparation.

Article 71

The proposal for modifications and amendments to the Statute shall be determined by the Board.

Article 72

The decision for modifications and amendments to the Statute shall be made by the Assembly.

When the modifications and amendments to the Statute are made for reasons of adjustment of its content with any legally valid decision, the Assembly may delegate its authorization for modifications and amendments to the Statute to the Board.

The modifications and amendments to the Statute may be only made with at least 2/3 of the voting shares represented at the Assembly.

Article 73

The executive directors are obliged to report this Statute for the purposes of registration in the trade register.

The executive directors are obliged to submit to the SEC a copy of confirmation for registering this Statute in the trade register within 5 days from the its entry.

16. TRANSITIONAL AND FINAL PROVISIONS

Article 74

This Statute shall be written in Macedonian language. For original version of this Statute shall be considered the text of the Statute the pages of which are initialed by the chairman of the Assembly and which is signed by him.

The original copy of the Statute shall be kept in the premises of the MSE. The text of the Statute, upon its entering into power, shall be published on the web site of the MSE

Article 75

The Statute shall come into power and shall be implemented from the day of receiving approval from the SEC

Article 76

On the date this Statute comes into power, the Statute of the MSE whose consolidated text was adopted by the Board in the session held on 06.04.2006, shall cease to be in effect.

Skopje, September 2007

**Shareholders' Assembly
Chairman
Josif Eftinovski**