

ARTICLES OF ASSOCIATION OF THE AUTO HRVATSKA JOINT-STOCK COMPANY

(consolidated text)

I COMPANY, HEADQUARTERS, ACTIVITY

Article 1

(1) The company does business under the company: AUTO HRVATSKA joint-stock company. The abbreviated company name is: AUTO HRVATSKA d.d.

(2) The company head office is in Zagreb.

(3) Decisions on company and headquarters changes are made by the Assembly.

(4) The business address of the company is determined by the Executive Directors by special decree with consent from the Board of Directors.

Article 2

(1) The company seal is rectangular in shape and contains the company name and head office.

(2) The way in which the seal is used is determined by the Board.

Article 3

(1) The company performs the following activities:

* PURCHASING AND SALE OF GOODS

* TRADE INTERMEDIATION IN DOMESTIC AND FOREIGN MARKETS

34 Manufacture of motor vehicles, trailers and semi-trailers

50.2 Maintenance and repair of motor vehicles

50.40.4 Maintenance and repair of motorcycles

60.24 Freight transport by road

63.12 Storage of freight

63.40 Other transportation support activities (shipping freight and similar)

70 Real estate activities

71.1 Renting and leasing of cars

71.21 Renting and leasing of land transport vehicles

72 Computer and related activities

74.14 Business and management consultancy

74.15 Management activities of holding companies

74.3 Technical testing and analysis

74.4 Advertising (commercials and propaganda)

74.84 Other business activities, n. e. c.

* Accounting, bookkeeping and auditing activities; tax consultancy

* International freight forwarding

* Activities of fair, exhibition and congress organizers

(2) The Assembly makes decisions on changes to company activities in the manner provided for the amendment of the provisions of the Articles of Association.

II Capital Stock

Article 4

(1) Capital stock of the company is HRK 60,000,000.00 (sixty million).

- (2) Capital stock of the company is divided into 600,000 (six hundred thousand) stocks.
- (3) Nominal vale of each founding stock is HRK 100.00 (one hundred).
- (4) All company stocks are regular and issued in the form of dematerialized securities.

Article 5

- (1) Stocks accrued in the process of restructuring the company into a joint-stock company are founding stocks.
- (2) All stocks of the company are registered and managed in the central securities deposit of the Republic of Croatia at the Central Depository & Clearing Company.
- (3) Each company stock transfer must be reported to the Central Depository & Clearing Company within fifteen (15) days from the completed transfer to make changes to the stock transfer book.

Article 6

- (1) The company may accrue its own stocks in accordance with the legislation and decisions of the Assembly.
- (2) Treasury stocks have dormant rights.

III CORPORATE GOVERNANCE

Article 7

The governance bodies of the company are the Assembly and the Board of Directors.

Assembly

Article 8

- (1) The Assembly is the highest body of the company.
- (2) The Assembly consists of all voting stockholders.
- (3) Stockholders decide on their rights and obligations in the company at the Assembly.
- (4) Each initial stock grants the right to a single vote in the company Assembly.
- (5) Stockholders may grant power of attorney to a third party to represent them in the Assembly.

Article 9

- (1) Assembly decides on:
 - changes and updates to the Articles of Association
 - appointment and revocation of members of the Board of Directors
 - allocation of earnings,
 - issuing of discharge to members of the Board of Directors
 - issuing of discharge to Executive Directors
 - appointing a company auditor
 - issuing of rules of procedure for the Assembly, if a need is determined
 - appointment and revocation of the Chairman and Deputy Chairman of the Assembly
 - issuing of stocks
 - increasing and reducing company capital
 - the dissolution of the company
 - other questions determined by legislation and the Articles of Appointment

(2) The Assembly can make decisions on issues regarding the use, increase and decrease of capital only after the annual financial reports are determined in accordance with legislation.

Article 10

(1) The Assembly may be held if stockholders or their representatives whose votes represent more than one-half of the total number of company votes attend.

(2) Only stockholders with the right to vote who have registered their participation to the Company before an Assembly meeting within the period and in the manner determined by the call can participate in the workings of the Assembly. The registration must arrive at the Company address noted in the call no later than two (2) days prior to the holding of the General Assembly. This deadline does not include the day the registration is delivered to the Company.

(3) Based on the report on the total number of represented votes at the Assembly, the Chairman of the Assembly determines if there is a quorum.

(4) If the Assembly, in accordance with the provisions of this Article does not have a quorum, a new Assembly is held in no more than thirty (30) days.

(5) In case no quorum is determined at the second holding, the Assembly will be held regardless of the number of votes represented by the Assembly.

(6) Votes in the Assembly are made publicly, whereas for individual decisions the Assembly can decide to vote in secret.

(7) In case it is required, the Assembly can be ended and continued by agreement of present stockholders.

Article 11

(1) A decision is considered to be accepted if stockholders whose votes represent at least one-half of the total represented votes in the Assembly voted for it, if the Articles of Association or legislation do not determine otherwise.

(2) Decisions on accepting, amendments to the Articles of Association and the dissolution of the Company are made by a simple majority of all votes which represent capital stock.

Article 12

(1) The Assembly is held as required, at least once a year, at a regular session which must be held to accept the annual company business report.

(2) The Assembly is held at the company headquarters and can be held elsewhere if needed.

Article 13

(1) The Assembly is presided by the Chairman of the Assembly. In case of incapacity, he is replaced by the Deputy Chairman of the Assembly.

(2) The Chairman of the Assembly presides over Assembly sessions, determines the order of discussion on specific points of the agenda, decides on the order of voting on specific proposals, determines the means of voting on specific decisions and resolves any other process-related questions which were not placed under the purview of the Assembly by legislation or the Articles of Association.

(3) The presider of the Assembly sessions is entitled to remuneration, whose value is determined by the Assembly.

(4) The presider of the Assembly concludes the Assembly session when discussions and decisions regarding points on the agenda have ended.

Article 14

(1) The Board of Directors and stockholders who have at least 15% of total votes may propose to the Assembly that a person who contributed to the development of the company through personal contribution be made an Honorary Chairman of the Assembly.

(2) The title of Honorary Chairman of the Assembly is given until revocation.

(3) The Honorary Chairman may attend all sessions of the company and actively participate in discussions regardless of whether they are a shareholder.

Board of Directors

Article 15

The Board of Directors consists of five (5) members.

Article 16

(1) The Board of Directors runs the Company and sets the foundations of conducting business whereby it determines the management structure, the rules and principles of Company business management, growth planning, the entire business policy and the basis of planning and distribution of achieved results.

(2) The Board of Directors determines the rules and principles of managing Company business.

Article 17

(1) The Board of Directors gives consent to the unanimously adopted Rules of Procedure for executive directors if it is in accordance with the regulations and principles of the Company's corporate governance.

(2) The Board of Directors may adopt the Rules of Procedure for executive directors and in that case the adoption of provisions of the Rules of Procedure is mandatory for all executive directors.

(3) The Board of Directors decides on status changes of related companies and participates in the decision-making process as a member of the assembly of the related company.

(4) The Board of Directors monitors the business management of the Company and assures the veracity of accounting records.

Article 18

Members of the Board of Directors who are not executive directors appoint and revoke executive directors, represent the Company before the executive directors and decide on the responsibilities and other relations between the executive directors and the Company.

Article 19

(1) Members of the Board of Directors are appointed by the Assembly.

(2) Members of the Board of Directors are chosen for a period of two years and may be reappointed.

Article 20

The right to propose appointment of members to the Board of Directors in the manner provided by legislation is the right of the Board of Directors, the executive directors with a majority vote of all executive directors, and the stockholders who individually or collectively have at least 10% of the vote in the Assembly.

Article 21

(1) A single member of the Board of Directors is appointed and selected by employees in accordance with the Labor Act.

(2) The member of the Board of Directors appointed by employees may also be a member selected by the Assembly.

(3) The right to propose a single member of the Board of Directors is held by employees of the Auto Hrvatska joint-stock company in such a way that the member of the Board of Directors appointed by employees is also a candidate of the Assembly for the appointment of a member of the Board of Directors who is appointed by the Assembly.

Article 22

The Assembly may revoke all or individual members of the Board of Directors before the end of their term, which is decided by a simple majority of total votes of all stockholders.

Article 23

(1) The Board of Directors must be constituted within a period of eight days after convening the Assembly.

(2) Until a Chairman of the Board of Directors has been appointed, the Board of Directors meeting is led by the most senior member of the Board.

(3) Members of the Board of Directors appoint a Chairman and Deputy Chairman with a simple majority.

(4) The Chairman and Deputy Chairman are not executive directors as pertains to their roles and they cannot at the same time be executive directors in the Company.

Article 24

(1) The Board of Directors makes decisions at meetings.

(2) Board of Directors meetings are usually held once a month, or more frequently, on the basis of agreement, if required.

(3) All members of the Board of Directors are obligated to appear at a meeting of the Board of Directors and to participate in decision-making.

(4) Instead of an indisposed member, a person who is not a member of the Board of Directors may participate in a Board of Directors meeting if they receive written power of attorney from the indisposed member of the Board of Directors.

Article 25

(1) The Board of Directors makes decisions with a majority of votes.

(2) The Board of Directors decides on the Rules of Procedure for the Board of Directors.

(3) Decisions made by non-executive members of the Board of Directors as opposed to executive director decisions are made in accordance with legislation, the Articles of Association and the Rules of Procedure for the Board of Directors.

Article 26

The Board of Directors may use professional services or form special committees to enact Board of Directors decisions or to monitor Company activities.

Article 27

Members of the Board of Directors have a right to remuneration for their work on the Board of Directors, the right to a salary if they act as directors as employees of the Company and a right to compensation for participating in achieved results in accordance with decisions of the Assembly.

IV ORGANIZATION OF COMPANY ACTIVITIES

Organization act and regulations

Article 28

(1) Organization basis, rights, obligations and responsibilities of the director in executing business and the organizational structure of the Company is determined by the Board of Directors of the Company with an act and the rules on the organization.

(2) The Company founds and participates in the founding of companies molding common interests of companies that are linked by ownership, commercially or by business activities.

(3) A decision on criteria and manner of founding and managing of related companies, as well as the role and capital management in other economic entities is made by the Board of Directors.

(4) The act on the organization determines the competence and authorization of executive directors in defining the organization of business.

Executive Directors

Article 29

(1) The Company has at least 3 (three) and at most 9 (nine) executive directors, a decision made by the Board of Directors.

(2) Executive Directors manage Company business and represent the Company.

(3) Executive Directors are obligated to keep Company trade secrets and to manage Company business

with the due care and diligence of a prudent businessman.

(4) In conducting business, executive directors are bound by the instructions and guidelines of the Board of Directors.

(5) The executive directors answer to the Board of Directors for managing and conducting business, unless in the case of shared responsibilities with Board of

Directors members in case individual activities were carried out in accordance with the directions of the Board of Directors.

Article 30

(1) The Board of Directors appoints executive directors, one of which is appointed as the Chief Executive Director.

(2) Executive Directors manage Company business together and jointly, unless otherwise stated by an organization act or Board of Directors decision for individual activities.

(3) In cases where votes cast for executive director decisions are split, the deciding vote is made by the Chief Executive Director.

(4) In legal activities, the Company can be represented jointly by two executive directors, in accordance with a decision of the Board of Directors.

Article 31

(1) Executive Directors who are the only directors of related companies conduct business and represent the related company individually and independently, unless otherwise stated by an organization act or Board of Directors decision for individual activities.

(2) The Board of Directors can, by means of an organization act or special decision, define which activities can be undertaken by executive directors only with the consent of the Board of Directors.

Article 32

Executive Directors can in accordance with their rights issue power of attorney to other persons to represent them.

Article 33

(1) Executive Directors can with prior written consent of the Board of Directors give power of attorney to other persons.

(2) The person with power of attorney cannot themselves give power of attorney or conclude contracts with the Company in the name and on the behalf of other persons nor without special authorization of the Board of Directors alienate or encumber real estate and Company ownership stocks.

(3) More detailed provisions on proxies and power of attorney are defined by the Company organization act.

Article 34

(1) Executive Directors must follow the Rules of Procedure for executive directors if it was adopted by the Board of Directors.

(2) Executive Directors can, with a unanimous decision of all members, adopt the Rules of Procedure for executive directors if they were not adopted by the Board of Directors.

(3) Rules of Procedure governing executive directors adopted by the executive directors may provide that executive directors manage activities exclusively jointly, unless the organization act or other decision made by the Board of Directors states otherwise.

Article 35

Other than managing activities and representing the Company, the Executive Directors also:

- determine and define the organization's business activities in accordance with the organization act,
- assemble the regular general assembly and prepare decisions and general acts which are made by the Assembly, other than decision proposals on the use of profit and appointing an auditor,
- execute decisions of the Assembly and the Board of Directors,
- propose acts and decisions within the framework of their competence in accordance with legislation and Company acts,
- conduct other business in accordance with Company provisions and acts.

Article 36

(1) Executive Directors are appointed by a decision of the Board of Directors for a term of four (4) years with the possibility of reappointment.

(2) The Board of Directors can at any time without special notice revoke the appointment of all or individual executive directors.

(3) If during the duration of the term the Board of Directors expands or changes the composition of executive directors, the mandate of newly appointed executive directors lasts until the end of the term of all executive directors.

Article 37

More detailed provisions on the work of executive directors are regulated by the contract on performing the duties of executive directors and the employment contract.

V Duration and dissolution of the Company

Article 38

(1) The Company is incorporated for an indefinite term.

(2) The dissolution of the Company is determined and enacted in accordance with the Companies Act.

VI Liability

Article 39

For its obligations, the Company liable with the entirety of its assets.

Article 40

The organization of the Company is based on a very high level of responsibility of members of the Board of Directors, executive directors and business directors, as well as all who carry responsibility of particular importance to the Company based on the criteria of a careful, diligent and prudent businessman.

Article 41

The responsibility of executive directors, business directors and those who carry responsibility of particular importance to the Company is determined through the organization act and the contract on performing the duties of executive directors; the

responsibility of all employees is determined by general and individual acts which determine the work relationship in accordance with the organization act.

VII Annual financial report and Annual report on the position of the company

Article 42

- (1) The company is obligated to properly manage the accounting records in accordance with regulations, for which executive directors are responsible.
- (2) Executive Directors are obligated to ensure proper and timely creation of financial and audit reports in accordance with legislation.

Article 43

- (1) The Annual financial report is created by the executive directors in accordance with provisions on accounting.
- (2) The Annual report on the position of the company is created by the executive directors in accordance with provisions of the Companies Act.
- (3) Submitting to Company bodies, examining and determining annual financial reports and reports on the position of the Company is done in accordance with the Companies Act.

VIII Use of profits and dividends

Article 44

- (1) Decision on the use of profits is made by the Assembly as proposed by the Board of Directors.
- (2) Profits achieved in the business year will be used to settle the obligations in the following order:
 1. Covering losses of the previous year
 2. Entering into legal reserves
 3. Entering into reserves for personal stocks if the Company obtained them or aims to obtain them.
- (3) If the previous obligations have been met, the profits will chiefly be used to enter into statutory reserves and reserves determined by Assembly decision.
- (4) If the achieved results and the position of the Company allow for it, generated profit or part of it will be used based on Assembly decision for:
 1. Paying out dividends to stockholders
 2. Paying out bonuses to members of the Board of Directors, executive directors and employees.
- (5) For paying out dividends, specially formed reserves can also be used based on an Assembly decision made in previous years.

IX Reserve resources

Article 45

- (1) The company creates the resources of the reserve.
- (2) Reserve resources are legal, statutory and other reserves.
- (3) Statutory reserves are created for the needs of development and stability in the amount of up to 25% of the Company capital stock.

(4) Other reserves are those resources allocated by Assembly decision without limit and resources allocated by a Board of Directors decision with legal restrictions.

X Articles of Association Amendments

Article 46

(1) Proposals of amendments to the Articles of Association are made by the Board of Directors.

(2) All stockholders have the right to, with an explanation, propose amendments to the Articles of Association to the Board of Directors.

(3) If the Board of Directors received a proposal with an explanation on the amendments to the Articles of Association from stockholders who together make up at least 10% of capital stock, it is obligated to deliver the proposal to the Assembly for a vote at the first subsequent meeting.

(4) If an individual Assembly decision requires amendments to the Articles of Association, a vote on the decision and on the amendment to the Articles of Association is simultaneously held.

XI Publication of Company data and communication

Article 47

The official means of notification of the Company is the website containing the court register. Announcements for which there is no legal obligation to publish on the Company's official means of notification will be published on the official Company website.

XII Transitional and final provisions

Article 48

The Board of Directors is authorized to interpret the Articles of Association in case of lack of clarity or contradictions on how to implement individual provisions for which it has to request confirmation of the interpretation at the next Assembly meeting.

Article 49

The Articles of Association enter into force and are applied from the date of registry in the court register, other than in relation to the appointment and revocation of members of governing bodies which is applied from the moment of its adoption; decisions enter into force the day they are entered into the court register.

In Zagreb, June 18, 2020

Chairman of the Assembly
Tomislav Plejić