

"INVEST NOVA" AD
BIJELJINA

S T A T U T E

Bijeljina, March 2007

Pursuant to the Article 61 and Article 210 of the Law on Enterprises (Official Gazette of Republic of Srpska no. 24/98, 62/02, 28/03 97/04 and 34/06), Article 56 of the Law on privatisation investment funds and privatisation fund management companies (Official Gazette of Republic of Srpska no. 24/98, 63/02 and 67/05) and Article 19 of the Investment Funds Act (Official Gazette of Republic of Srpska no. 92/06), the Assembly of the privatisation investment fund management company "Invest nova" AD Bijeljina, at the meeting held on 01.03.2007, adopted the

STATUTE
OF THE INVESTMENT FUND MANAGEMENT COMPANY
"INVEST NOVA" AD BIJELJINA

I - GENERAL PROVISIONS

Article 1

This Statute regulates matters of relevance to the operation and activities of the Investment Fund Management Company "Invest nova" AD Bijeljina (hereinafter: Company) as follows:

- business name and registered office
- scope of work
- founders' share and registered capital of the Company
- profit allocation and risk management
- election and operation of the bodies of the Company
- representation of the Company
- cessation of the activities of the Company
- other issues relevant to the operation of the Company.

Article 2

The Company is established as a joint stock company and it gains the status of legal entity on the day of its entry into the Court Register.

The consent that is issued by the Securities Commission is needed for the founding of the Company (hereinafter: Commission).

II - BUSINESS NAME AND REGISTERED OFFICE

Article 3

The Company conducts its business under the name:
INVESTMENT FUND MANAGEMENT COMPANY "INVEST NOVA"
Joint stock company, Bijeljina

The Company conducts business under the abbreviated name:
"Invest nova" AD Bijeljina

The English translation of the name is:

Management Company Investment Fund "Invest nova" AD Bijeljina.

The business name of the Company, its business name in English, the abbreviation of its business name and the registered office shall be entered into the Court Register.

Article 4

The registered office of the Company is in Bijeljina, in Gavrilica Principa Street no. 11.

Article 5

The decision on change of the business name and registered office of the Company shall be made by the Assembly of the Company.

The decision shall be made by the majority of the present or represented votes, including those of shareholders that have decided to vote in writing.

The address of the Registered Office of the Company shall be determined and changed in decision made by the Managing Board of the Company.

III – SCOPE OF WORK OF THE COMPANY

Article 6

Scope of work of the Company is investment funds founding and managing, namely investment of financial means in its own name and for the account of the owner of share of open-ended investment funds, as well as in the name and for the account of the shareholders of closed-ended investment funds, then investment of financial means in its own name and for its own account, and performing other activities pursuant to the Law.

According to the activities classification the Company is classified into the subgroup 65230 - other financial intermediation.

Activities related to investment funds control comprise:

- fund's assets management,
- promotion of funds, sale of securities and shares in funds and purchase of securities and shares for the account of funds,
- book keeping and preparing of financial record for the funds,
- relationships with investors,
- determination of the fund's net asset value,
- harmonization of the Company's operation with laws and relevant regulations,
- publications and reporting to fund's shareholders,
- payments of dividends to the fund's shareholders,
- keeping of the shareholders register, keeping of fund's archive in accordance with the provisions of Investment Funds Act and
- other administrative tasks, prescribed by the Commission.

Article 7

The Company may establish and control more than one investment fund.

Article 8

The Company controls the funds on the bases of the Investment funds management contract, which the Commission gives its consent to.

IV - FOUNDERS' SHARE AND REGISTERED CAPITAL OF THE COMPANY

Article 9

Registered capital of the Company is 1.560.000,00 KM (one million five hundred and sixty thousand convertible marks) divided into 1.560 (one thousand five hundred and sixty) ordinary shares with the nominal value of 1.000,00 KM (one thousand convertible marks) per share.

Registered capital of the Company is consisted of founders' share in the amount of 390.000,00 KM (three hundred ninety thousand convertible marks), registered and paid by the first issue of shares, the registered capital in amount of 390.000,00 KM (three hundred ninety thousand convertible marks) registered and paid by the second issue of shares and registered capital in amount of 780.000,00 (seven hundred eighty thousand convertible marks), registered and paid by the third issue of shares.

The Company capital for the privatisation investment fund management company "Invest nova" inc. Bijeljina, which is aside from registered capital consisted of: revaluation reserves, legal reserves, unallocated profit from previous years and unallocated profit from current year, is fully taken over by the transformed investment fund management company "Invest nova" inc. Bijeljina.

Article 10

All shares from the first emission of the Company are registered and bought by the founders of the concurrently founded company - the signatories of the Contract on founding of the privatisation investment fund management company Invest nova inc. Bijeljina number: 5742/2000 dated 23.08.2000, and shares from the second and the third emission were assigned to the Company's shareholders who were registered in the shareholders register of the Company Invest nova inc. Bijeljina on the day of the division. Company shares are freely traded and without any limitations, based on verified contracts on sale of the shares.

The Company may not buy out its own shares.

Article 11

The shareholder of the Company may lodge or put for usufruct purposes his shares in the Company, with the prior consent of the Managing Board of the Company.

The consent of the Managing Board of the Company does not mean giving the approval for the transfer of the shares of the Company to third parties.

The Pawnee and the user of the transferred usufruct rights do not have a voting right at the Assembly of the Company based on shares they have in pawn or in usufruct rights.

Article 12

The Company may increase the registered capital by emission of shares, decision of which shall be made the Assembly of the Company.

V - RIGHTS, DUTIES AND LIABILITIES OF THE FOUNDERS AND THE COMPANY

Article 13

The founders of the Company shall exercise following rights and duties:

- to sign the statement about the registration and payment of shares,

- to make payment for shares,
- to sign the Contract on founding of the Company,
- to participate in work of the Company management bodies,
- to participate in allocation of dividends, in proportion to their participation in the registered capital of the Company,
- to participate in the allocation of the liquidation mass, in case of the Company liquidation, proportionally to their participation in the registered capital of the Company,
- other rights and duties, pursuant to the Law and the acts of the Company.

Article 14

In the legal transactions with third parties the Company has all authorities without any limitations, pursuant to the Law and the general acts of the Company.

The Company is liable with all of its property for its obligations.

For the Company's obligations the founders are liable to the extent of the registered capital they own in the Company.

VI - DETERMINATION AND ALLOCATION OF PROFIT AND RISK MANAGEMENT

Article 15

The Company shall charge the commission for investment fund management either in cash or in fund shares, pursuant to the Contract on Management.

The investment fund shares being based on the management cannot be sold by the Company as long as the funds are controlled by it.

Article 16

The Company operations results are determined by periodical financial reports, which are adopted by the Managing Board of the Company, and by annual financial reports which are adopted by the Assembly of the Company.

The realised profit based on annual financial report upon the settlement of all the Company related duties shall be allocated to the shareholders of the Company in the form of dividend, proportionally to their contribution to the registered capital of the Company, decision of which shall be made by the Assembly of the Company.

The Company Assembly may decide not to share the realised profit to shareholders but to dispose it to reserves or as unallocated profit of the current period.

Dividends, remunerations and premiums cannot be paid out on the burden of the registered capital of the Company.

The payment of dividends cannot be done if net assets of the Company in accounting year are less than registered capital and reserves, other than in the cases of registered capital decrease.

The amount of the profit cannot be more than stated, including profit brought forward and profit determined from reserves for these purposes, reduced by the amount of losses brought forward from previous years.

The Managing Board of the Company is obliged to call the Assembly of the Company in the case that at least half of the registered Company capital is lost.

Article 17

Shareholders shall bear the risk of Company activities up to the extent of their contribution to the registered capital of the Company, and they are not liable for the obligations of the Company.

VII - GOVERNANCE AND REPRESENTATION

Article 18

The Company is governed by the shareholders directly, or through their representatives. The bodies of the Company are: The Assembly, The Managing Board, The Supervisory Board and The Managing Director.

- a) The Assembly of the Company

Article 19

The Assembly is comprised of the shareholders of the Company. The shareholders owning the voting shares are entitled to participate in the activities of Assembly of the Company.

Article 20

The Assembly is called by the Managing Board of the Company, the Supervisory Board of the Company and by a shareholder or group of shareholders who have at least 10% of voting shares in registered capital of the Company.

The Assembly of the Company is called as needed, but at least once a year on the occasion of adopting the annual business report and annual financial report.

Article 21

The Assembly should be called if it is requested in writing by shareholders who either individually and collectively have or represent at least 10% of registered capital of a fund governed by the Company, along with the obligation of stating the reasons for convening the Assembly and with the proposal of the agenda for the Assembly of the Company.

If the Managing Board of the Company does not call the Assembly of the Company within 15 days from the day of submitting the written demand by fund shareholders, the Assembly can also be convened by those shareholders.

The Assembly can also be convened by the Supervisory Boards of funds governed by the Company.

Article 22

Within the scope of its competences the Assembly of the Company:

- appoints the chairman or the president of the Assembly among the shareholders of the Company,
- makes the Statute of the Company,
- adopts the Business plan for the first three years of Company business,
- adopts the general act on organisation and systematisation of Company's activities,

- determines the business policies,
- adopts the annual business report of the Company and annual financial report of the Company, with the opinion of the independent auditor,
- decides on allocation of shares, payment of dividends to Company shareholders and the Company loss coverage,
- decides on increase in the registered capital of the Company,
- decides on status-related modifications and cessation of the activities of the Company,
- elects and dismiss the members of the Managing Board of the Company, the president and the members of the Supervisory Board of the Company, and the auditor of the Company, and determines their salaries and
- decides on other issues determined by the Law, this Contract and the Statute of the Company.

Article 23

The notice on the Assembly convening, called by the Supervisory Board of a fund, should comprise: business name and the registered seat of a fund calling the Assembly of the Company, time and place of the Assembly session and the agenda of the Assembly. The notice on the Assembly convening shall be published in at least one daily newspaper, issued on the territory of Republic of Srpska, at least 21 days before the Assembly session.

Article 24

The Assembly may make decisions if shareholders holding more than 50% of the total number of votes, are present or represented.

In the case that the Assembly session cannot be held due to the lack of quorum referred to in previous paragraph, the reconvened Assembly session with the same agenda is scheduled for the day which is no longer than 30 days from the previously arranged session which failed to be held.

The notice on the Assembly convening, called by the Managing Board of the Company, Supervisory Board of the Company, shareholder or the group of shareholders of the Company, shall be published in one daily newspaper, issued on the territory of Republic of Srpska and at the web site of the Company, at least 21 days before the Assembly session.

Article 25

The shareholder of the Company may vote at the Assembly session in person, through the assignee or in written form if absent.

The shareholder is provided with the ballot paper containing a posed question and answers "for", "against" and "abstain", for all or only specific items of the agenda, along with the invitation for the Assembly session and the material with the agenda.

The absent shareholder votes in a way that he circles one of the answers referred to in previous paragraph in his ballot paper and writes down date of voting as well as his signature.

The shareholder submits the filled in ballot paper to the Assembly of the Company, at latest three days prior to Assembly session, directly to the protocol service of the Company or by mail.

Article 26

The voting at the Assembly session is carried out by open ballot but the Assembly may decide to carry out the voting by secret ballot on specific issues from agenda.

Article 27

Presiding over the Assembly of the Company, keeping the minutes and other issues concerning the work of Assembly, are regulated by the Assembly Procedural rules, pursuant to the Law on Enterprises.

b) Managing Board of the Company

Article 28

Managing Board of the Company shall be appointed by the Assembly of the Company for a term of office of four years. Upon expiring of the term of office the members of the Managing Board of the Company may be re-elected for the same period.

The Managing Board of the Company has five members.

The president of the Managing Board is elected at the first foundation session among elected members.

The members of the Managing Board of the Company must have university level of education and fulfill other conditions prescribed by the Law, the acts of the Commission and general acts of the Company.

Managing Board of the Company has at least one third of members who are independent. Independent member of the Managing Board of the Company is an individual who is not employed in the Company, as well as an individual not associated to the Company and funds governed by the Company, in a sense of the term of related entities.

Commission issues approval for the election of the Managing Board of the Company, and keeps a register of these individuals.

Decision on appointment of the Managing Board of the Company becomes effective once the consent is given by the Commission.

Article 29

Within the scope of its competences the Managing Board of the Company:

- schedules sessions of the Assembly of the Company and sessions of the Assembly of funds governed by the Company,
- prepares proposals of decisions for the Assembly of the Company and for the Assemblies of funds governed by the Company, and accomplishes decisions of the Assembly of the Company and Assemblies of funds governed by the Company,
- makes general enactments not made by the Assembly,
- adopts the periodic financial report of the Company,
- consolidates the proposal of decision on dividend payment to the shareholders of the Company and the proposal of decision on dividend payment to the shareholders of funds governed by the Company,
- appoints and dismisses the Managing Director of the Company,
- makes its own Book of Regulations,
- makes the Rulebook on internal rules and procedures for the Company activities,

- makes other acts of the Company and performs other activities pursuant to the Law, the Contract on management, the Statute of the Company and Statutes of the funds governed by the Company.

c) Supervisory Board of the Company

Article 30

President and members of the Supervisory Board of the Company shall be appointed for a term of office of four years by the Assembly of the Company.

After expiration of the term of office the president and the members of the Supervisory Board of the Company may be re-elected.

The Supervisory Board of the Company has the president and two members.

The president and the members of the Supervisory Board of the Company must have university level of education, three years of working experience in that profession and must meet other requirements determined by the Law and Commission's acts.

Decision on election of the president and members of the Supervisory Board of the Company comes into effect on the day following the day of their election at the Assembly of the Company.

Article 31

Within the scope of its competences the Supervisory Board of the Company:

- oversees the legality of the Company's management work, examines business records of the Company and periodic and annual accounting reports,
- gives an opinion on proposal of decision made by the Managing Board of the Company concerning the allocation of dividends to shareholders of the Company,
- gives an opinion on proposal of decision made by the Managing Board of the Company concerning the allocation of dividends to shareholders of funds governed by the Company,
- discusses the report of the Company's auditor,
- reports to the Assembly of the Company about its work and performs other activities prescribed by the Law, the Fund Management Contract and the Statute of the Company.

d) The Managing Director of the Company

Article 32

Managing Director of the Company shall be appointed by the Managing Board of the Company for a term of office of four years.

After expiration of the term of office the Managing Director of the Company can be re-elected.

The Managing Director of the of the Company must has university level of education, three years of working experience in that profession with particular authorizations and must meet other requirements determined by the Law and the Commission's Rule book.

Article 33

Within the scope of its competences the Managing Director:

- organizes and conducts business operations of the Company,

- represent the Company without limitations pursuant to the Law and this Statute,
- represents the funds governed by the Company, without limitations pursuant to the Law, this Statute, Statutes of the funds and Contracts on management of the funds governed by the Company,
- takes care of the legality of the Company's operations and of legality of operations of the funds governed by the Company and
- performs other activities determined by the Law, this Statute, Statutes of the funds governed by the Company and Fund Management Contracts.

VIII - SIGNING AND THE BUSINESS NAME

Article 34

The Company shall be signed in a way that representative of the Company adds his signature along with the Company seal next to the Company enterprise.

Article 35

The Company has business funds and other funds pursuant to the Law on accounting, the Law on Enterprises and the Law on Investment Funds, which are founded on the basis of the Law or decision of the founders.

Article 36

The Company has a compulsory reserve in the amount prescribed by the Law. After adopting the annual financial report the Company appropriates funds from profit for compulsory reserves which are used to cover the business risk and in other purposes in the Company's operations, decision of which shall be made the Assembly of the Company.

IX - ENVIRONMENTAL PROTECTION

Article 37

The Company is obliged to organise the activities which assures the safety at work, and to conduct required measures of work safety and environmental protection, in accordance with the legal regulations concerning the environmental protection.

X - DURATION AND CESSATION OF OPERATIONS OF THE COMPANY

Article 38

The Company has been established for an indefinite time, as long as the investment funds governed by it have been operating.

Article 39

If the Company ceases to operate, the shareholders of the Company are entitled for their part of the Company's assets in proportion to their contribution to the registered capital of the Company, once all obligations of the Company have been settled.

XI - THE PROCEDURE RELATED TO AMENDMENTS TO THE STATUTE OF THE COMPANY

Article 40

Amendments to the Statute of the Company are made in the procedure and in a way as stipulated by the Law on Enterprises and the Law on Investment Funds, with prior consent given by the Commission.

XII - OTHER PROVISIONS

Article 41

Provisions of the Law and secondary legislation, as well as general acts of the Company shall be applied to all relations not defined by this Statute.

Article 42

All data about business activities of the Company shall be considered the business secret of the Company, other than those which the Company is obliged to publish, The Managing Board of the Company shall make the Rule book on business secret of the Company.

Article 43

All disputes based on this Statute shall be resolved by mutual agreement within the Company, pursuant to good business practices and business ethics. Have the disputes not been solved by mutual agreement, the settlement shall be in the competence of the Court of general jurisdiction in Bijeljina.

Article 44

The Statute of the privatisation investment fund Management Company "Invest nova" AD Bijeljina number: SK-I-1/2000 dated 03.08.2000 with the Decision on changes of the Statute of the Company, number: SK-VII-02/04 dated 18.06.2004, Decision on the second changes and amendments to the Statute of the Company number: SK-IX-02/05 dated 31.03.2005, Decision on the third changes of the Statute of the Company, number: SK-X-02/05 dated 14.10.2005 and Decision on fourth changes and amendments of the Statute of the Company, number: SK-XIII-02/06 dated 10.07.2006, shall be repealed once this Statutes becomes effective.

Article 45

This Statute becomes effective the following day after the consent is received from the Commission.

Number: SK-XIV/2007
In Bijeljina, 01.03.2007

Chairman of the Assembly
Veljko Vasiljevic