

Pursuant to Article 16, item 3) of the Law on Public Enterprises and Activities of General Interest ("Official Herald of RoS" No. 25/00, 25/02, 107/05 and 108/05-corr) and Article 13, par 1, item 2) of the Decision establishing the Public Enterprise for State Roads Management ("Official Herald of RoS" no.115/05) the Managing Board of the Public Enterprise "Putevi Srbije", at its session of 8 February 2006, approved the following

**STATUTES  
OF THE PUBLIC ENTERPRISE FOR STATE ROADS MANAGEMENT  
'PUTEVI SRBIJE'**

**I. GENERAL PROVISIONS**

**Article 1**

The present Statutes stipulates: corporate name and seat of the Public Enterprise for State Roads Management (hereinafter referred to as: the Public Enterprise), its activities; representation; allocation of profit and absorption of loss; governance bodies; general bylaws and the procedure for their approval; the rights, responsibilities and liabilities of its bodies; the status changes, seal and stamp; environmental policy and other issues of relevance for the work and operations and exercise of the rights, duties and liabilities of employees with the Public Enterprise.

**Article 2**

The Public Enterprise was established under the Decision establishing the Public Enterprise for State Roads Management ("Official Herald of RoS"no.115/05).

**Article 3**

The Founder of the Public Enterprise is the Republic of Serbia. The Government of RoS in Belgrade, Nemanjina 11 (hereinafter referred to as: Founder) shall exercise the rights of the Founder on behalf of RoS.

**II. CORPORATE NAME AND SEAT**

**Article 4**

The corporate name of the Public Enterprise shall be: Public Enterprise "Putevi Srbije".

The abbreviated corporate name of the Public Enterprise shall be: PC"Putevi Srbije".

The Seat of the Public Enterprise shall be in Belgrade, Bulevar Kralja Aleksandra, 282.

**Article 5**

The Public Enterprise may change its corporate name and seat.

The Decision changing the corporate name and seat shall be within the competence of the Managing Board, provided the consent of the Founder.

### **III. SEAL AND STAMP**

#### **Article 6**

The Public Enterprise shall have a round stamp of 40mm in diameter. The words: "Javno preduzeće "Putevi Srbije" shall be embossed in the inner circle thereof.

In the middle of the circle the word: Beograd.

The Public Enterprise shall have its seal, rectangle in shape, containing the following text: the first line: "Javno preduzeće 'Putevi Srbije' "; the second line: "Number and box for entering the act in the protocol"; the third line: "Date of entry in the protocol" At the bottom line" Beograd, Bulevar Kralja Aleksandra, 282".

The text in the round stamp and seal shall be in Cyrillic.

### **IV. PUBLIC ENTERPRISE ACTIVITIES**

#### **Article 7**

The core activity of the Public Enterprise shall be: **code 45230**-construction of thoroughfares, runways and sports grounds.

The Public Enterprise shall be also in charge of state roads management, covering:

- 1) Use of state road (organization and control of collection of toll charges, exercise of public authorities and the similar);
- 2) Preservation of the state roads;
- 3) Investments into construction and reconstruction of the state roads;
- 4) Organization and discharge of professional services inherent in the construction, reconstruction, maintenance and protection of the state roads;
- 5) Subcontracting of the maintenance works on the state roads;
- 6) Organization of expert supervision of construction, reconstruction, maintenance and preservation of state roads;
- 7) Planning of construction, reconstruction, maintenance and preservation of the state roads;
- 8) Markings on the state road and record keeping on the state roads and technical traffic data;
- 9) Traffic management and count on the state roads.

The Public Enterprise may engage in other transactions in compliance with the Law and the Memorandum of Incorporation.

The Public Enterprise shall engage in international trading within the scope of its registered activities.

### **IV. INTERNAL ORGANIZATION**

## **Article 8**

The Public Enterprise shall be organized as an economic and business whole.

## **Article 9**

The Public Enterprise may form sectors, departments, divisions and other internal organizational units.

The organizational units in the Public Enterprise, the types of jobs, level of education and other specific job requirements, as well as the method of discharge of the activity of the Public Enterprise shall be governed by the Rules of organization and job systematization.

## **Article 10**

The Internal organization of the Public Enterprise shall correspond to its profile, activities, and operations and shall be adapted to ensure:

- 1) Adequacy of the internal organization to the whole activity of the Public Enterprise;
- 2) Professional, efficient, rational and harmonized discharge of duties in the Public Enterprise;
- 3) Expedient internal supervision of the work in the Public Enterprise;
- 4) Legal compliance and timely decision making in administrative proceedings;
- 5) Grouping of identical or related and mutually connected jobs within the corresponding internal units in the Public Enterprise;
- 6) Efficient cooperation with other organs and organizations.

## **V. RESPONSIBILITY OF THE PUBLIC ENTERPRISE AND POWERS IN LEGAL TRANSACTIONS**

### **Article 11**

The Enterprise shall have the status of legal person and shall operate as an autonomous economic entity.

The status of legal person shall be acquired by the Public Enterprise at the time of its registered in the Register of Businesses.

### **Article 12**

The Public Enterprise shall be liable for its obligations with its entire assets.

The Public Enterprise shall be obliged to ensure ongoing, uninterrupted and quality maintenance and protection of the state roads and smooth and safe traffic.

The Public Enterprise shall be obliged to operate in environmentally friendly manner under the law and other regulations.

The Public Enterprise shall be liable for damages incurred by the users of the state roads resulting from its failure to timely perform individual works within regular maintenance of the state road, prescribed under the law governing public

roads, and/or performance of the works contrary to the prescribed technical requirements and methods.

## **VII. REPRESENTATION OF THE PUBLIC ENTERPRISE**

### **Article 13**

The Director General shall represent and act on behalf of the Public Enterprise, without any limitations.

The Director General may, within his authorities, issue a letter of attorney to another person-proxy to represent the Public Enterprise.

The Proxy may not assign his letter-of-attorney to a third party without the approval of the Director General.

The consent of the Director General to the assignment of the letter-of-attorney shall be in writing.

The powers of the Proxy, in the absence of the Director General, shall be within the authority stipulated in the written letter-of-attorney to represent the Public Enterprise.

The Director General, on the approval of the Managing Board, may issue and withdraw the proxy, in compliance with the law.

## **VIII. FUNDS FOR INCORPORATION AND OPERATION OF THE PUBLIC ENTERPRISE**

### **Article 14**

Funds for incorporation and operations of the Public Enterprise shall be the assets used by the Republic Road Management Authority, formed under the Law on Roads ("Official Herald of RoS" no. 46/91, 52/91- as amended, 53/91, 67/93 -as amended, 48/94 - as amended, 42/98 and 101/05- as amended) and which are state-owned, according to the Balance sheet as of 31 December 2005.

Acquisition and disposal of assets of the Public Enterprise within the state roads management shall be carried out with the consent of the Founder.

State roads managed by the Public Enterprise as the public property owned by the Republic of Serbia cannot be disposed of.

### **Article 15**

The Public Enterprise shall acquire and earn revenues from the following sources:

- 1) State road tolls;
- 2) Compensation for the maintenance of state roads in the amount of 10.0% of the excise charged on oil derivatives
- 3) Financial credits;
- 4) Investments by local and foreign persons;
- 5) Budget of the Republic of Serbia;
- 6) Other sources in compliance with the law.

## **Article 16**

The financing of investments in the construction and reconstruction of the state roads shall be provided out of:

- 1) The Budget of the Republic of Serbia, allocated specifically to that purpose;
- 2) Loans;
- 3) Other legal sources.

## **IX. PLANNING AND DEVELOPMENT**

### **Article 17**

The Public Enterprise shall have its long-term and medium-term development plans, for construction and reconstruction, maintenance and protection of state roads, and annual plan of actions for maintenance, preservation, construction and reconstruction of state roads, with the consent of the Founder.

The report on the implementation of the program referred to in par 1 of this Article, in the part relating to the construction and reconstruction of the state roads shall be presented by the Public Enterprise to the Founder through the ministry in charge of traffic, not later than 31 January of the current year for the previous.

The Public Enterprise shall have its annual operating plan for the next year to be approved by the Founder at the proposal of the ministry in charge of traffic.

The program referred to in par 3 of this Article shall be presented by the competent ministry not later than end-October current year.

## **X. PROFIT DISTRIBUTION AND LOSS ABSORPTION**

### **Article 18**

At the year-end the Public Enterprise shall prepare the annual accounts, determining profit or loss of the Public Enterprise.

Profit or loss of the Public Enterprise shall be determined in compliance with the law.

### **Article 19**

Profit of the Public Enterprise, determined in compliance with the law, may be distributed to the increase of initial capital, reserve or otherwise, in compliance with the law, Decision establishing the Public Enterprise for State Road Management and this Statutes.

Part of the profit shall be allocated to the Founder and paid in the account of Internal Public Revenues.

## **XI. CORPORATE GOVERNANCE**

### **Article 20**

The bodies of corporate governance shall be:

- 1) Managing Board;
- 2) Director General;
- 3) Supervisory Board.

## **Article 21**

The Managing Board is the body managing the Public Enterprise.

The Managing Board shall have nine members.

The President and members of the Managing Board shall be appointed and recalled by the Founder.

The President, Vice President and four members of the Managing Board shall be proposed by the minister in charge of traffic from the ranks of professionals, from the scientific community with expertise in finance, banking, legal, technical and technological sciences, experienced in the commercial operations, namely who achieved results in science.

Three members of the Managing Board from among the employees shall be proposed by the Director General, after having obtained the consent of the representative trade union.

The mandate of the president, deputy president and members of the Managing Board shall be four years.

## **Article 22**

The Managing Board shall:

- 1) Determine the Business policy;
- 2) Approve the Statutes of the Public Enterprise;
- 3) Decide on the changes of the corporate name, seat and activities of the Pubic Enterprise;
- 4) Approve the long-term and medium-term development, construction and reconstruction, maintenance, and preservation of the state roads and annual plan of works on maintenance, preservation, construction and reconstruction of the state roads and annual operating program;
- 5) Prescribe the methodology of count and recording sheet on the state road;
- 6) Approve the Operating Report of the Public Enterprise, periodic and annual financial statements;
- 7) Decide on profit distribution and absorption of losses;
- 8) Decide on the decrease and increase of the Enterprise capital;
- 9) Decide on capital investments;
- 10) Approve the public procurement plan;
- 11) Determine the amount of toll charged on the state roads referred to in Article 17, items 3) through 12) of the Law on Public Roads;
- 12) Approve investment programs and criteria for investments;
- 13) Decide on the ways and conditions of utilization of the land on which a section of the state road is located and which after construction or reconstruction shall no longer belong to the previously constructed or reconstructed state road;
- 14) Decide on incorporation of subsidiary companies;

- 15) Appoint and recall members of the Managing and Supervisory Boards and directors of subsidiary companies
- 16) Decide on the issue, sale and purchase of shares and other securities, purchase and sale of stakes in another enterprise or company, debt/equity swap and the similar;
- 17) Sign a labor contract with the director general;
- 18) Issue guidelines to the director general about business policy implementation;
- 19) Decide on the limit of money disposable by to the Director General in the exercise of his function without the approval of the Managing Board;
- 20) Approve the Rules of organization and job systematization in the Enterprise;
- 21) Approve the welfare program for redundant employees;
- 22) Decide on business cooperation and association with other companies, namely enterprises;
- 23) Decide on the status changes of the Enterprise;
- 24) Decide on the remuneration to the President and members of the Managing and Supervisory Boards further to the criteria contained in the annual operating program;
- 25) Take the measures conducive to permanent, uninterrupted and quality maintenance and preservation of the state roads and smooth and safe traffic thereon;
- 26) Review the Auditors' report on the Enterprise operations;
- 27) Approve the Code of conduct;
- 28) Approve the Rules of order;
- 19) Decide on other matters in compliance with the law, this Statute and other by laws.

The Decisions referred to in par 1, items 2), 3), 4), 7), 8), 9), 14) 16) and 23) of this Article shall be subject to the consent of the Founder.

The Managing Board may authorize the Director General of the Enterprise to decide between the sessions of the Managing Board on individual issues falling within the scope of competence of the Managing Board, provided that the same shall be presented at the next session for approval.

### **Article 23**

The Managing Board shall decide by majority vote of the total number of its members.

Each member of the Managing Board shall have one vote.

Quorum for the Managing Board meeting shall be five members attending the Managing Board.

### **Article 24**

The Managing Board shall sit and decide in sessions in compliance with the Rules of order.

The session of the Managing Board shall be held when needed.

#### **Article 25**

The President shall chair the meetings of the Managing Board, convene the sessions, sign the enactments passed by the Managing Board and certify and sign the minutes of all the sessions.

In the case the President's incapacity his deputy shall act on behalf of the President in all matters.

#### **Article 26**

The members of the Managing Board shall be accountable individually and collectively to the Founder for their performance.

#### **Article 27**

A member of the Managing Board may be recalled at his personal request or at the proposal of the authorized nominator.

#### **Article 28**

The President and members of the Managing Board shall be entitled to remuneration for their work.

The amount of remuneration shall be determined by the decision of the Managing Board further to the Criteria contained in the annual operating program of the Public Enterprise.

#### **Article 29**

The Managing Board may form a commission to tackle certain matter falling within its purview.

### **2. Director General**

#### **Article 30**

The Director General of the Public Enterprise shall be appointed and recalled by the Founder.

The Director General shall be appointed for the period of four years.

The Founder may appoint acting director general pending the appointment of the Director General of the Public Enterprise.

The acting director general may hold the post for one year, maximum.

#### **Article 31**

The Director General shall be authorized to conclude contracts and other legal transactions to represent the Public Enterprise before courts and other authorities on behalf of the Public Enterprise.

## **Article 32**

The Director General shall:

- 1) Represent Public Enterprise and act on its behalf;
- 2) Organize and run the work flow and operations of the Public Enterprise;
- 3) Propose the outline of the Business Policy;
- 4) Be accountable for legality in the Public Enterprise;
- 5) Propose medium-term plan for construction and reconstruction, maintenance and preservation of state roads, annual program of works on maintenance, preservation, construction and reconstruction of the state roads, the annual operating program, public procurement plan, bylaw prescribing the methodology of vehicle count and recording sheet, amount of toll charged, ways and conditions of utilization of the land on which a section of the state road is located and which after construction or reconstruction shall no longer belong to the previously constructed or reconstructed state road;
- 6) Approve the bylaw on internal organization and job classification in the Public Enterprise;
- 7) Propose welfare program for the redundant employees;
- 8) Propose Code of conduct of employees;
- 9) Submit the financial statements, operating reports and annual accounts;
- 10) Propose relevant decisions for approval to the Managing Board;
- 11) Carry out the decisions of the Managing Board;
- 12) Appoint and recall assistant Director General, and other persons with special authorities and responsibilities;
- 13) Decide on the rights, obligations and liabilities within labor relations in compliance with the law;
- 14) Approve business travel of employees;
- 15) He shall be accountable for financial statements signed by him;
- 16) Pass decisions and other bylaws in compliance with his authorities under the law;
- 17) Sign collective labor agreement;
- 18) Determine which tasks shall have to be done during the strike and perform other affairs under the Law, this Decision, the Statutes and Collective Labor Contract and the way of performance;
- 19) In the case of a strike he shall assign, under own decision, the persons who shall carry out the tasks determined as obligatory during the strike, and take the measures against the non-compliant workers under the law and general bylaws;
- 20) Do other businesses set out in the law and regulations.

## **3. Supervisory Board**

### **Article 33**

The Supervisory Board shall have three members appointed for a period of four years.

The President and Supervisory Board members shall be appointed and recalled by the Founder.

#### **Article 34**

The President and one member of the Supervisory Board shall be proposed by the minister in charge of traffic affairs from among the professionals in finance and commercial law having experience in business.

One member of the Supervisory Board shall be elected from among the employees.

The candidate of employees for the member of the Supervisory Board shall be proposed by a representative trade union from the ranks of professionals in finance and commercial law, with experience in the Enterprise.

#### **Article 35**

The Supervisory Board shall:

- 1) Supervise the operations of the Public Enterprise;
- 2) Review the Operating Report of the Public Enterprise, periodic and annual accounts;
- 3) Provide opinion about the proposed profit allocation and loss absorption;
- 4) Review the Auditors' report on the operations of the Public Enterprise;
- 5) Approve the Code of business conduct;
- 6) Do other business in compliance with the law and general bylaws of the Public Enterprise.

The Supervisory Board shall report to the Founder, twice a year minimum, of the results of the supervision and present the report on the results of the supervision to the Managing Board.

#### **Article 36**

The President and members of the Supervisory Board shall be entitled to an adequate remuneration for their work.

The amount of remuneration shall be determined by the Decision of the Managing Board further to the criteria contained in the annual operating program of the Enterprise.

#### **Article 37**

The President, members of the Managing Board, Director General and Supervisory Board shall discharge their functions in the interest of Public Enterprise and shall act with the care of prudent businessman, in observance of the interest of the owner and the employees.

## **XII. GENERAL BYLAWS**

#### **Article 38**

The Public Enterprise shall adopt its general bylaws and collective employment contract.

#### **Article 39**

The general bylaws of the Public Enterprise shall be the Statutes, Collective employment contract, codes, rules of procedure, instructions and decisions which govern certain matters in a general manner.

The Statutes shall be a fundamental general bylaw of the Public Enterprise but other general bylaws cannot be in contravention to the Statutes.

#### **Article 40**

Initiative to have a general bylaw, its changes and amendments may be moved by the Managing Board or Director General.

The trade union organization may initiate the drafting, changing or amending general bylaws governing the matters of concern for the employees (labor relations, safety at work, residential matters, etc.).

#### **Article 41**

The bylaws shall be made public by being posted on the notice board of the Public Enterprise.

The general bylaws shall be accessible to all the employees.

The changes and amendments of the general bylaws shall follow the procedure of their approval.

#### **Article 42**

Changes and amendments of the Statutes shall be made in the same manner and under the same procedure set out for their approval.

Changes and amendments of the Statutes shall be made at the proposal of the Director General and the Managing Board.

The interpretation of the Statutes shall be in the competence of the Managing Board.

### **III. BUSINESS SECRET**

#### **Article 43**

In the interest of security and successful economic performance of the Public Enterprise the individual acts, data on operations, development and business relations, the planning, project and technical documentation for construction and reconstruction of the state roads, as well as the data on public procurement shall be treated as business secret by the general bylaw.

The documents referred to in par 1 of this Article are the documents whose disclosure to an unauthorized person would be contrary to the interest of the Public Enterprise and harm the interest and business reputation of the Public Enterprise.

The business secret shall have to be observed by all the employees, who shall become aware of the documents classified as business secret.

The general bylaw referred to in par 1 of this Article shall determine the marking of the documents classified as business secret, the manner of business secret disclosure, and the persons authorized for disclosure.

#### **XIV. PROTECTION AND ENHANCEMENT OF ENVIRONMENT**

##### **Article 44**

The Public Enterprise shall be obliged to take the measures for the protection and enhancement of the environment in compliance with the law, Statutes and other General bylaws of the Public Enterprise.

#### **XV. RIGHTS AND OBLIGATIONS OF EMPLOYEES AND TRADE UNIONS**

##### **Article 45**

The employees in the Public Enterprise shall exercise the right to an adequate earning and other rights, obligations and responsibilities concerning the work and further to it in compliance with the law, collective employment agreement, and general bylaws.

##### **Article 46**

The Management of the Public Enterprise shall inform the employees via their representative in the Managing Board, on the work and operations of the Public Enterprise, and particularly on the development plans, their effect of economic and social position of employees, trends and changes in salaries, protection and safety at work and measures for improvement of labor conditions, status changes of the Public Enterprise etc.

##### **Article 47**

Employees with the Public Enterprise may organize trade unions in compliance with the law.

With the view to employees' rights the corporate bodies of the Public Enterprise and the trade unions shall cooperate.

The bodies of the Public Enterprise shall be obliged to consider the proposal, opinion and initiative of the trade union relating to the exercise of the rights under par 2 of this Article, concerning their material, economic and social status.

##### **Article 48**

Before decision making about the matters concerning the exercise of rights of the employees the competent authority shall be obliged to ask for the opinion of the trade union, review the same and express its views.

### **Article 49**

The employees shall be kept informed via notice boards and bulletins of the Public Enterprise and by other means and ways of information.

## **XVI. TRANSIENT AND FINAL PROVISIONS**

### **Article 50**

The Director General shall within 30 days of the date of entry of this Statutes in force approve the Rules on the organization and job systematization.

The Managing Board shall, in compliance with the law, approve the Code of conduct of employees, which shall be valid pending the Collective employment agreement.

### **Article 51**

This Statutes, once approved by the Government, shall be published on the notice boards of the Public Enterprise and shall become effective on the eight day of the date of posting.

No. 953-00-996  
Belgrade, 08.02.2006

MANAGING BOARD  
President  
Zoran Pesovic, B.Sc. in Eng.

Round seal