



*Translation from Montenegrin*

Seal: ALTER MODUS L.L.C.  
Micro-credit finance institution  
Ul. Studentska bb, Podgorica  
No: 00-17-7537/2022  
Podgorica, 13/06/2022

Logo:  
MICRO-CREDIT FINANCE INSTITUTION  
**ALTER MODUS**

**ARTICLES OF ASSOCIATION OF  
MICRO-CREDIT FINANCE INSTITUTION  
ALTER MODUS L.L.C. PODGORICA  
June, 2022**

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ALTER MODUS logo

Articles of Association of Micro-credit Finance institution  
ALTER MODUS L.L.C. Podgorica  
June 2022

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In compliance with Article 271 of the Law on Companies ("Official Gazette of Montenegro", no. 65/2020 and 146/2021) and pursuant to Articles 25 and 11 paragraph 2 item 1 of the Articles of Association of the **Micro-Credit Finance Institution ALTER MODUS LLC Podgorica** (hereinafter referred to as: "the Company"), the General Meeting of the Company, at its XIX/Regular session held on **13/06/2022**, adopted the amendments to the Articles of Association of the Company, in revised text, as follows:

## **ARTICLES OF ASSOCIATION OF MICRO-CREDIT FINANCE INSTITUTION ALTER MODUS L.L.C. PODGORICA**

### **I GENERAL PROVISIONS**

#### **Article 1**

Micro-credit finance institution ALTER MODUS LLC Podgorica was founded as one-member limited liability company, for indefinite period, with the aim of performing commercial activity.

The founder of the Company is a non-governmental organization "ALTER MODUS" Podgorica (hereinafter referred to as the: "Founder"). The Company undertook all rights and duties of the Founder on 1 January 2009, when the Company officially started its work, on the basis of previously obtained Ruling of the Central Bank of Montenegro, no: 0101-323/14-2 as of 22/12/2008 by which the license for work was granted to the Company.

The transfer of rights and duties from the Founder to the Company was carried out by the termination of the working time on 31 December 2008, while the final transfer was conducted following the creation of the statement of accounts of the Founder for 2008. The Founder transferred all its assets to the Company (movable and fixed), financial claims, rights and duties incurred out of business activity, bilateral agreements, as well as in other ways, without any reserves and limitations.

The Company was registered in the Central Registry of Commercial Entities of the Revenues Authority in Podgorica under number: 5-0510844.

These Articles of Association shall regulate the organization which is harmonized with the Law on Companies ("Official Gazette of Montenegro", no. 65/2020 and 146/2021).

The Company is a legal entity with the rights, duties and responsibilities specified by valid regulations, memorandum of association and these Articles.

### **II NAME AND SEAT**

#### **Article 2**

The Company shall perform its business activity under the name: Micro-credit finance institution ALTER MODUS LLC Podgorica.

The abbreviation of the Company is ALTER MODUS LLC.

The Company's registered seat is in Podgorica, ul. Vučedolska no. 15.

The address for official notices is: ul. Vučedolska no. 15, Podgorica.

The email address is: [info@altermodus.me](mailto:info@altermodus.me).

#### **Article 3**

The Company shall have seals and stamps. The content, form, size and manner of use of the seals and stamps of the Company, as well as other issues related to their use shall be regulated by a special enactment of the Company.

### **III BUSINESS ACTIVITY OF THE COMPANY**

#### **Article 4**

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The Company shall perform the following activities regulated by the Ruling of the Central Bank of Montenegro on issuing work licence no: 0101-3232/14-2 as of 22/12/2008:

- Approve from its own funds and the funds obtained on the money market of purpose loans for the implementation of developmental projects of companies, loans for improvement of business activities of entrepreneurs and purpose loans of natural persons.

In addition to this business activity, the Company shall also perform:

- 64.92 Other loan services.

#### **IV ORGANIZATION AND REPRESENTATION**

##### **Article 5**

Legal representative of the Company shall be executive director authorized to represent the Company individually. The Board of Directors of the Company shall appoint other representatives of the Company in compliance with the Law.

##### **Article 6**

Internal organization of the Company shall be further regulated by the Rulebook adopted by the Board of Directors of the Company, upon the proposal of the Company's executive director.

The Company shall perform its business activity as a single commercial and organizational unit.

The Company shall perform its business activity with optimal usage of human resource and technical capacity in the provision of its services, on the territory of Montenegro.

Work process and business activity of the Company shall be organized territorially through a network of subsidiaries, branch offices and offices led by the Main Office, and functionally through divisions, services and departments.

#### **V CAPITAL STOCK AND THE MANNER OF CHANGE OF THE AMOUNT OF CAPITAL STOCK**

##### **Article 7**

The Founder has paid initial monetary capital amounting to EUR 100,000.00 for the foundation and beginning of work of the Company.

In 2009, the Founder transferred to the Company all its rights and duties, and following the termination of the transfer of all rights and duties, it increased the founding share in the amount of its overall capital estimated by an independent authorized assessor. The foundation share was increased for EUR 4,616,185.00 and its total amount with initial share is EUR 4,716,185.00.

The General Meeting of the Company, at its III/extraordinary session, held on 04/05/2015, adopted the Decision on the allocation of unallocated profit achieved within the period 2009-2013, Decision on the allocation of funds of "Caritas Luxembourg" and the Decision on the increase of the share capital. The share capital was increased for EUR 3,445,000.00, and after this increase, the total amount of the share capital was EUR 8,161,185.00.

The General Meeting of the Company, at its XVI/extraordinary session, held on 19/06/2018, adopted the Decision on the allocation of unallocated profit achieved within the period 2014-2016 and the Decision on the increase of the share capital. The share capital was increased for EUR 4,253,624.00, and after this increase, the total amount of the share capital was EUR 12,414,809.00.

The General Meeting of the Company, at its XXIII/extraordinary session, held on 18/05/2020, adopted the Decision on the allocation of unallocated profit achieved within the period 2017-2019 and the Decision on the increase of the share capital. The share capital was increased for EUR 4,342,865.40, and after this increase, the total amount of the share capital was EUR 16,757,674.40.



The General Meeting of the Company, at its XXVII/extraordinary session, held on 11/10/2021, adopted the Decision on the allocation of unallocated profit and the Decision on the increase of the share capital of the Company. The share capital was increased for EUR 5,600,342.58, and after this increase, the total amount of the share capital was EUR 22,358,016.98.

The share capital of the Company amounts to EUR 22,358,016.98.

The share of the Founders in the company amounts to 100% of the share capital.

#### **Article 8**

The share capital shall be increased on the basis of the decision of the General Meeting, by:

1. New stakes of the existing members or member acceding the Company;
2. Conversion of reserves or profit of the Company into the share capital;
3. Conversion of the claims towards the Company into the share capital;
4. Status changes resulting in the increase of the share capital.

#### **Article 9**

The share capital of the company may be reduced on the basis of the decision of the General Meeting, but not below the amount of minimum share capital prescribed by law.

### **VI MANAGEMENT BODIES**

#### **Article 10**

Pursuant to the Law on Companies, the management of the Company shall be organized as one-tier.

Management bodies of the Company are:

1. General Meeting;
2. Board of Directors and
3. Executive director.

### **GENERAL MEETING**

#### **Article 11**

The General Meeting is composed of the Founder.

The General Meeting shall have the following responsibilities:

1. Adopt amendments to memorandum of association and articles of association;
2. Adopt annual financial statements, report on business operations of the Company and external auditor report;
3. Appoint and dismiss the members of the Board of Directors and specify the fee for their work;
4. Appoint and dismiss executive director and specify the fee for their work, upon the proposal of the Board of Directors;
5. Decide on the increase and decrease of the capital stock of the Company;
6. Approve assessment of non-monetary stakes and adopt the report on the estimation of value of the Company's capital;
7. Adopt the decision on the disposal of the Company's assets (purchase, sale, lease, replacement, acquisition or other form of disposal), whose value is higher than 10% of bookkeeping value of the Company's assets (great value assets);
8. Approve the conclusion of the contract on the purchase of assets from the Founder when the disbursement exceeds one tenth of the capital stock specified by the Articles of Association;
9. Decide on the allocation of profit and manner of covering the losses, including the specification of the day of the acquisition of right to participate in profit and the day of disbursement of the share in profit to the members of the Company;





10. Decide on initiation of liquidation procedure, re-structuring, as well as on the submission of the proposal for initiation of bankruptcy procedure by the Company;
11. Appoint and dismiss external auditor;
12. Appoint liquidation officer;
13. Decide on the acquisition of its own shares;
14. Approve the contract on accession of a new member to the Company and provide consent to the transfer of share to a third person;
15. Decide on the change of the Company's business activity;
16. Decide on the changes of the forms of Company's organization;
17. Adopt Vision, Mission and Values of the Company;
18. Adopt amendments to the Corporate Management Policy of the Company;
19. Adopt Appointment and Fee Policy;
20. Adopt the Policy of Allocation of Share in Profit;
21. Adopt Rules of Procedure on its work;
22. Upon the request of the Board of Directors, consider the issue from its scope of responsibility related to the business activity of the Company;
23. Check the business activity, premises, financial operations of the Company, accounting records and other documentation;
24. Perform other tasks in compliance with law, memorandum of association and articles of association of the Company.

## **BOARD OF DIRECTORS**

### **Article 12**

Board of Directors shall be responsible for the management and governance of the Company, including the definition of the Company's strategies and supervision of their implementation.

The members of the Board of Directors shall be appointed and dismissed by the General Meeting.

### **Article 13**

Board of Directors shall be a collective body composed of 5 (five) members managed by the Presidents.

Only a person fulfilling the conditions stipulated by the Law on Companies and the Law regulating micro-credit activities may be appointed a member of the Board of Directors.

Members of the Board of Directors shall elect the President among themselves.

Board of Directors shall have at least 2 (two) independent members. An independent member of the Board of Directors shall be a person who fulfils the conditions for acquiring the capacity of an independent member of the Board of Directors, specified by law.

Term of office of the Board of Directors shall be maximum 4 (four) years. Upon the expiration of the term of office, a member of the Board of Directors may be re-appointed.

Board of Directors shall adopt the Rules of Procedure on its work.

Executive director shall attend all sessions of the Board of Directors, unless otherwise decided by the Board of Directors.

### **Article 14**

Board of Directors shall act and decide in compliance with responsibilities defined by the Articles of Association of the Company and adequate provisions of laws, corporate management policy, rules of procedure, code of ethics and other enactments of the Company.

Members of the Board of Directors shall, during decision-making, adhere to the principle of conscientiousness and act with the care of a prudent businessman, in accordance with the interests of the Company.



### Article 15

Members of the Board of Directors shall have right and duty to attend and participate at work of the sessions of the Board of Directors.

Rights, duties and powers of the members of the Board of Directors shall be regulated in detail by the Rules of Procedure of the Board of Directors.

### Article 16

Responsibilities of the Board of Directors shall be the following:

1. Define strategies of the Company in compliance with the guidelines of the General Meeting;
2. Manage the Company, provide guidelines to executive director in terms of administering affairs of the Company and supervise business operations of the Company;
3. Adopt business plan, operational plan and budget;
4. Adopt the decision on the disposal of the Company's assets (purchase, sale, lease, replacement, acquisition or other form of disposal), whose value is higher than 3% and lower than 10% of bookkeeping value of the Company's assets;
5. Adopt business policies of the Company in all segments of operations;
6. Adopt Rulebook on Internal Organization of the Company, upon the proposal of executive director;
7. Appoint and dismiss internal auditor of the Company upon the proposal of auditing board;
8. Convene the sessions of the General meeting and define the proposal of the agenda along with the proposal of the decisions;
9. Adopt three-month reports of executive director on business operations of the Company;
10. Propose to the General Meeting a candidate for executive director and a fee for their work;
11. Appoint and dismiss legal secretary of the Company, upon the proposal of executive director;
12. Appoint auditing board and other committees of the Board of Directors and determine their composition and scope of work;
13. Adopt Rules of Procedure on the work of the Board of Directors;
14. Propose Appointment and Fee Policy;
15. Propose the amount of participation in profit, as well as the manner and procedure for its disbursement, in compliance with the Policy of Allocation of Share in Profit;
16. Execute decisions of the General Meeting;
17. Perform other tasks, in compliance with law, corporate management policy, rules of procedure and other enactments, not specified as responsibilities of other bodies of the Company.

## EXECUTIVE DIRECTOR

### Article 17

Executive director shall be appointed and dismissed by the General Meeting, upon the proposal of the Board of Directors.

Executive director may be only a person capable of doing business, who is employed in the Company and who owns adequate competences – decision making and initiation of actions, planning and organization, adhering to the principles and values, formulating strategy and concepts and minimum 10 years of working experience at a management position in institutions of similar business activity.





Executive director may be only a person who fulfils the conditions stipulated by the Law on Companies and the Law regulating micro-credit activities.

### Article 18

Executive director shall perform tasks related to operational management of the Company and shall have the following powers and duties:

1. Present and represent the Company and be held responsible for the legality of the work of the Company;
2. Organize and manage business of the Company in compliance with memorandum of association, corporate management policy and other enactments of the Company;
3. Execute decisions of the General Meeting and the Board of Directors;
4. Implement strategies of the Company;
5. Conclude contracts on behalf of the Company within the scope of their powers;
6. Adopt the decision on the disposal of the Company's assets (purchase, sale, lease, replacement, acquisition or other form of disposal), whose value is below 3% of bookkeeping value of the Company's assets.
7. Decide on business transactions in compliance with the Company's enactments;
8. Adopt Decision on establishment of subsidiaries (branch offices, subsidiaries, offices);
9. Draft proposals of business policies and other internal enactments;
10. Propose to the Board of Directors Rulebook on internal organization of tasks;
11. Propose to the board of Directors business plan, operational plan and budget;
12. Adopt Enactment on Job scheme, rulebooks, procedures, instructions and other internal enactments;
13. Draft three-month reports and annual statement of business operations of the Company;
14. Decide on rights and duties of the employees regarding their employment;
15. Organize the function of internal control in the Company;
16. Without delay, inform the Board of Directors on each aggravation of financial condition of the Company or a danger of such aggravation, as well as on other fact which may significantly influence financial condition of the Company;
17. Ensure security and regular monitoring of information technology system of the Company.

## VII BUSINESS EXPENDITURES AND ALLOCATION OF PROFIT

### Article 19

Business expenditures of the Company shall be envisaged by the budget of the Company for respective business year.

At the end of each business year, the Company shall create financial statements in compliance with valid regulations.

Financial statements of the Companies are subject to external auditing, in compliance with valid regulations.

### Article 20

Profit for allocation of the Company shall be specified for each business year.

The profit shall be allocated in compliance with the Policy of allocation of profit share.

## VIII ACTING IN LEGAL TRANSACTIONS

### Article 21

The Company may conclude contracts in legal transactions, as well as perform other affairs and actions within its legal and business capability, and it shall act in legal transactions on its





behalf and for its account, on its behalf and for the account of other persons, and on behalf and for the account of other persons.

The Company shall be held responsible for its duties by its overall assets.

## **IX BUSINESS SECRET**

### **Article 22**

Business secret shall be a data, or a set of data, not fully or partially generally known or available to persons who regularly work with such kind of data, which have economic value because of not being generally known and to which certain measures of protection of secrecy are applied, based on which the company which legally owns them shall ensure their secrecy.

Persons with particular duties towards the company – executive director, members of the board of directors, representatives, external auditor, management members and other employees, shall keep business secret even after termination of performing duties, within the period of five years from the day of respective termination.

## **X TERMINATION OF CAPACITY OF A MEMBER OF THE COMPANY**

### **Article 23**

The capacity of a member of limited liability company shall be terminated by:

1. death or the termination of a legal entity;
2. leaving of the Company;
3. share transfer;
4. exclusion from the Company.

Termination, procedure and consequences of the termination of the capacity of a member of the Company shall be regulated in compliance with Law.

## **XI GOVERNING LAW**

### **Article 24**

All issues related to the validity, interpretation or execution of these Articles of Association shall be subject to the application of legal regulations in Montenegro.

## **XII AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND GENERAL ENACTMENTS**

### **Article 25**

Amendments to the Articles of Association shall be performed in a manner and according to the procedure envisaged for their adoption.

Initiative for amendments to the Articles of Association may be submitted by:

- the Founder;
- Board of Directors;
- Executive director.

Decision on amendments to the Articles of Association shall be adopted by the General Meeting.

### **Article 26**

General enactments of the Company are policies, rulebooks, procedures and other enactments which generally regulate certain issues.

Articles of Association shall be a basic general enactment of the Company.

Other general enactments of the Company shall be aligned with the Articles of Association.



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Articles of Association of Micro-credit Finance institution  
ALTER MODUS L.L.C. Podgorica  
June 2022

### XIII TRANSITIONAL AND FINAL PROVISIONS

#### Article 27

The provisions of the valid laws shall apply to anything not regulated by these Articles of Association.

These Articles of Association shall enter into force on the day of being registered at the Central Registry of Commercial Entities of Montenegro.

The Articles of Association no. 30-030-21-00030 as of 11/10/2021 shall cease to be valid by entering into force of these Articles of Association.

Podgorica, dated: **13/06/2022**

**MFI ALTER MODUS LLC PODGORICA**

**President of the General Meeting**

**Ana Kentera**

Executive Director

/round seal of MFI ALTER MODUS LLC PODGORICA/ /signed/

**Andrija Lompar**

Authorized representative of the Founders

/signed/

**Luka Đurović**

Authorized representative of the Founders

/signed/

**Igor Vukčević**

Authorized representative of the Founders

/signed/

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End of translation

TUMAČ  
**Ivana Vučinić**

Prema dokazima postavljena u Crnoj Gori, rješenjem ministra pravde  
broj 22-548-1 od 08. juna 2022. godine, na vrijeme od pet godina,  
od 08. juna 2022. godine, ovaj prevod vjeran originalu.

Translation fee € \_\_\_\_\_  
in Podgorica, on \_\_\_\_\_

Seal \_\_\_\_\_ Signature \_\_\_\_\_

TUMAČ ZA ENGLJEŠKI JEZIK  
Ivana Vučinić  
INTERPRETER/TRANSLATOR  
Ivana Vučinić

for Podgorica, Montenegro by the decision of the Minister of Justice  
number 22-548-1 from 08 June 2022, for the period of five years, certifies  
that this is the true translation of the original document.

Seal \_\_\_\_\_ Signature \_\_\_\_\_

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