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CERTIFIED TRANSLATION FROM
THE CROATIAN LANGUAGE

ARTICLES OF ASSOCIATION



**ARTICLES OF ASSOCIATION
ERICSSON NIKOLA TESLA
JSC
Zagreb**

(including amendments made at the Company's Annual General Meeting held on 6 June 2017)

Article 1

The joint-stock company (hereinafter referred to as the Company) shall operate under the following corporate name:

ERICSSON NIKOLA TESLA
a joint-stock company for the manufacture of
telecommunication systems and devices

The abbreviated corporate name shall be:

ERICSSON NIKOLA TESLA JSC Zagreb

Article 2

The headquarters of the Company shall be in Zagreb, Krapinska 45.
Details of the address of the Company may be defined by the Management Board with a prior consent of the Supervisory Board of the Company.

Article 3

The Company's objects shall be marketing, sale, project design, engineering, research and development, manufacture, installation, testing and maintenance of telecommunication and other related devices and equipment, such as:

Public digital telephone exchanges for all levels of commutation nodes in public telephone integrated digital networks with POTS, ISDN, B-ISDN, and IN functions

Private branch and functional digital telephone exchanges for simultaneous commutation of speech and data for independent business networks

Exchanges for non-speech information by commutation of channels and packages in public and independent networks

Digital transmission devices and transmission networks

Centers for supervision, maintenance, and management of telecommunication systems

Mobile communication devices

Telematic and ISDN terminals

Devices for central and distributed power supply sources

Process devices and equipment for road and railroad traffic signaling

Mechanical, electromechanical, and electronic assemblies, parts and tools

Development, project design, manufacturing, installation, and supervision services, as well as customer training services during the installation and maintenance of telecommunication systems and devices,

which relates to the following sectors, groups, and classes of the National Classification of Activities:

22.1 Publishing

* Printing magazines and other periodicals, books and brochures, sheet music and music manuscripts, maps and atlases, posters, playing cards, promotional catalogs, prospectuses and other periodical advertising material, registers, albums, calendars

* Printing business forms and other commercial printed matter, paper goods for personal use and other printed matter, by letterpress printing, offset, photoengraving, flexography, silk-screen printing and other printing devices for copying,

32 Manufacture of radio-television and communication appliances and equipment

30 Manufacture of office machines and computers

31 Manufacture of electric machines and appliances

33.2 Manufacture of measuring and control instruments and appliances

33.3 Manufacture of equipment for the control of industrial processes

45.3 Installation works

28.7 Manufacture of other metal products

51 Wholesale trade and trade mediation

51.19 Mediation in trade in various products

51.64 Wholesale trade in office machines and equipment

51.65 Wholesale trade in other machines for industry

51.70 Other trade

60.24 Road transport of goods (cargo)

63.12 Storage of goods

65.2 Other financial mediation

70 Real estate business

72 Computing and related activities

73.1 Research and development in natural, technical and technological sciences

74.13 Market research and public opinion polls

74.14 Business and management consulting

74.4 Promotional activities (advertising and publicity)

74.81 Photography services

74.20 Architecture and engineering and related technical consulting;

*Design and performance of projects, as well as consulting in the field of electricity, electronics, information science and industry;

*Drafting technical documents for radio network, as well as for radio stations broadcasting radio or TV program;

*Installation and maintenance of facilities, technical equipment and installations, telecommunications and radio communications for third parties;

*Technical inspection of radio stations and common antenna system and cable television;

*Import of radio stations for further sale or renting;

*Renting and selling telecommunication equipment;

*Representing foreign companies and foreign trade mediation;

*Carrying out investment projects abroad;

*Bookkeeping and accounting;

*Training in the field of telecommunications, radio communications, IS/IT and the optimization of work process in these areas;

*Training in information-science activities and holding seminars;

*Manufacture of medical products;

*Project design, construction, use and removal of buildings;

*Construction supervision;

*Professional physical planning;

*Manufacturing, trading in, exporting, and importing military goods;

*Provision of services related to military goods;

*Wholesale trade in medical products;

*Mediation activities related to clinical examinations;

*Installation, repairing and maintenance of machinery, telecommunication equipment, computers and software;

*Drafting investment and technological documentation in the field of managing information and communications technology;

*Aerial photography;

*Services relating to information society;

*Training of the population for the implementation of preventive measures for fire protection, firefighting the commencing fires and rescuing people and property endangered by fire.

Article 4

The Company shall be constituted for an unlimited duration.

Article 5

Share capital of the Company amounts to HRK 133,165,000.00 (in words: one hundred and thirty-three million one hundred and sixty-five thousand).

Article 6

The share capital has been divided into 1,331,650.00 (in words: one million three hundred thirty-one thousand six hundred fifty) ordinary registered shares, each in the nominal amount of HRK 100.00 (in words: one hundred).

Article 7

The Company's shares are non-materialized securities existing exclusively in electronic form in the computer system of the Central Depository & Clearing Company.

For the Company, a shareholder is a person having a registered Company share on the securities' account in the Central Depository & Clearing Company.

Acquisition, alteration or cessation of the ownership and other rights on the non-materialized securities shall be performed by an adequate entering of data into the electronic records of the computer system in the Central Depository & Clearing Company in line with its Rules and Procedures.

Article 8

The Company's bodies shall be the Annual General Meeting, the Supervisory Board, and the Management Board.

Article 9

Shareholders who meet the following requirements shall be entitled to participate in the Annual General Meeting:

– They have a registered Company share on their securities account in the Central Depository & Clearing Company on the latest possible day to apply for participation in the Annual General Meeting;

– They have applied in advance to attend the Annual General Meeting, not later than six days before the Annual General Meeting. The deadline does not include the date of the Company receiving the application, which means that it practically covers seven days.

At the Annual General Meeting, the shareholders may be represented by proxies based on powers of attorney made in writing.

Article 10

The power of attorney shall be submitted to the Management Board of the Company not later than six days prior to the date of the Annual General Meeting. The deadline does not include the date of the Company receiving the application, which means that it practically covers seven days.

Article 11

Annual General Meeting of the Company shall be convened when applicable, at least once per year (regular Annual General Meeting), 180 days after the end of a business year.

Except for issues defined explicitly by law, at the Annual General Meeting it may be decided that the profit be allocated to the shareholders and/or distributed to legal, statutory, or other reserves, and/or used for other purposes (for instance, for payments to employees, members of the Management Board or the Supervisory Board).

Article 12

Annual General Meeting of the Company shall be convened in Zagreb, at a venue defined by the Management Board.

Article 13

Written materials regarding the matters subject to the decision-making at the Annual General Meeting for which it is not prescribed that they are to be published in a legally defined manner, shall be delivered to the shareholders in a manner defined by the Management Board.

The materials may also be delivered by publishing a notice to examine the materials at a defined time and at a defined place.

Immediately upon the convocation of the Annual General Meeting, the content of the notice and all documents that the Company is obliged to present to the Annual General Meeting will be available on the Company's website. The notice of the Annual General Meeting intended for the shareholders of the Company shall be limited to a notification issued by electronic means.

Article 14

Annual General Meeting may adopt valid decisions if the shareholders (representatives, proxies), who jointly hold more than 50% of the shares accounting for the share capital, are present at the meeting.

If there is no quorum as referred to in paragraph 1 of this Article after the time indicated in the notice of the beginning of the Annual General Meeting, within three days the Management Board shall once again issue a notice with the same agenda to the shareholders, scheduling a new Annual General Meeting.

The new Annual General Meeting may not be scheduled before the expiration of 8 days after the initial convening, nor after the expiration of 15 days after the initial convening.

In such case, paragraph 1 of this Article regarding quorum shall not apply, rather the principle of taking decisions by simple majority of votes shall apply.

Article 15

Annual General Meeting shall be presided over by the Chairperson of the Supervisory Board or other person appointed by the Supervisory Board.

The person presiding over the Annual General Meeting shall determine the order of discussion and decision-making on the agenda issues.

Article 16

A shareholder or their representative may vote only in the same manner.

Article 17

Annual General Meeting shall make all decisions by simple majority of votes cast, unless prescribed otherwise by law.

If it is defined by law that in order to adopt a decision, votes that account for the majority of share capital represented at the decision-making are required, simple majority of the represented share capital shall be sufficient, unless a larger majority is required by law.

In case of equal number of votes, it shall be considered that the decision is not adopted.

Notwithstanding the provision from the previous paragraph, if in the case of electing members of the Supervisory Board, there are more candidates proposed than there are members to be appointed, it shall be considered that the candidates who won the majority of votes are elected (relative majority).

In case that the votes for two or more candidates are equally divided, these candidates shall be subject to a new voting and the elected candidates shall be those with the largest number of votes (relative majority).

If votes are once again equally distributed following a renewed voting, lots shall be drawn.

Article 18

At the Annual General Meeting, the voting shall either be conducted by electronic means or it shall be public, by show of voting papers or filling in and submitting ballot papers.

The method of voting shall be decided by the person presiding over the Annual General Meeting.

The voting shall commence after all items of the agenda have been discussed; however, the person presiding over the Annual General Meeting may decide that the voting be conducted separately after each item of the agenda.

Article 19

Annual General Meeting decisions shall be entered in the book of decisions by the Annual General Meeting, which is kept by the Management Board.
The decisions shall be entered into the book for each year and they need to be numbered.

Article 20

Each shareholder shall bear their own costs incurred due to the participation in the Annual General Meeting, and the costs of preparing and holding the Annual General Meeting shall be borne by the Company.

Article 21

The Company shall have a Supervisory Board consisting of five members.
One member of the Supervisory Board shall be a representative of the employees.
Members of the Supervisory Board shall have a four-year term of office, which, however, except in cases of early revocation, may not be terminated before the Annual General Meeting makes financial decisions, which are based on the reports in whose evaluation have participated the Supervisory Board members.

Article 22

The Supervisory Board appointed at the first Annual General Meeting shall be convened by the person presiding over the Annual General Meeting and it shall be constituted not later than 15 days after these Articles of Association come into force, while the Supervisory Board appointed at the regular Annual General Meeting shall be constituted not later than 15 days after its appointment.

At the constituting meeting of the Supervisory Board, members of the Supervisory Board shall elect the Chairperson and the Vice-Chairperson of the Supervisory Board by majority of all votes, and issue the Rules of Procedure of the Supervisory Board.

Article 23

The Supervisory Board shall make decisions by majority of votes of all its members.
The Supervisory Board shall adopt the Rules of Procedure regarding its activities and voting method, as well as other issues within its competence and related to its structure.

Article 24

Members of the Supervisory Board shall receive remuneration for their work in the Supervisory Board.
The amount of remuneration to the members of the Supervisory Board shall be determined at the Annual General Meeting of the Company.

Article 25

The Management Board shall be one person – the Director.
The Director shall be appointed for a five-year term.
The director may be re-appointed to the position without any limitations to the number of terms of office.

Article 26

The Director of the Company shall represent the joint-stock company without any limitations.
All commercial and other powers of attorney, including procuration, shall be issued by the Director.

Article 27

Internal structure of the joint-stock company shall be determined by the Director.

Article 28

All bylaws, except for the Articles of Association, rules of the Annual General Meeting and the Supervisory Board, shall be made by the Director, unless otherwise prescribed by law.
Bylaws of the “Nikola Tesla” Inc. social enterprise shall continue to apply unless they are contrary to these Articles of Association, until they are replaced by the bylaws of the Company in accordance with these Articles of Association.

Article 29

A business year shall be the calendar year.

Not later than 4 months after the end of the business year, the Director shall prepare annual financial statements and the report on the Company’s business operations, and submit them to the Company’s auditor.

Without delay, the Director shall submit the auditor’s report to the Supervisory Board, together with the annual financial statements, the report on the Company’s business operations and the draft decision of the Annual General Meeting regarding the use of profit.

Annual financial statements, the report on the Company’s business operations, auditor’s report, and the Director’s proposal regarding the use of profit, as well as the Supervisory Board’s report on the supervision of the Company’s business operations, shall be submitted to the shareholders for consideration on the business premises not later than the day of issuing the notice of Annual General Meeting.

Article 30

Pursuant to the Supervisory Board’s report and other reports referred to in the previous article, within 6 months after the end of the previous business year, Annual General Meeting shall make a decision on giving discharge from liability to the Director and members of the Supervisory Board, on the adoption of annual financial statements, when entrusted with this task by the Management Board or the Supervisory Board, or in case the Supervisory Board does not give their consent, and on the use of profit, as well as on the appointment of the Company’s auditor for the current business year, unless the auditor has already been appointed at the previous Annual General Meeting.

Article 31

Annual General Meeting may decide that the profit be not paid out.

Article 32

The term for the payment of the profit shall be defined at the Annual General Meeting in accordance with legal regulations.

The profit that has not been collected within 5 years from the date it became payable, will be allocated to the assets of the Company.

Article 33

By its Rules, the Supervisory Board of the Company shall determine in more detail the obligations of keeping trade secrets of the Company, particularly as regards the documents and data to be considered a trade secret, and whose disclosure to unauthorized persons would harm the Company's interests and business reputation, as well as regards the persons who are authorized to disclose to other persons the content of documents and the data that qualify as a trade secret of the Company.

Article 34

Trade secret of the Company shall be kept by the shareholders, the Director and the employees of the Company who have in any way learned the content of the documents or data considered a trade secret of the Company. The obligation of keeping a trade secret by the Director shall be determined by an agreement between the Company and the Director, and the employees shall be subject to the provisions of a bylaw adopted by the Director.

Article 35

These Articles of Association shall come into force from the moment of their adoption.

Article 36

The original of these Articles of Association shall be the text validly adopted at the Annual General Meeting, with all its pages having been initialed and having been signed by the Chairperson of the Annual General Meeting.

The original of the Articles of Association and amendments thereto shall be kept bound in a special book.

Article 37

The data and notices of the Company for which it is prescribed by law or provided for by these Articles of Association, shall be published on the website of the court register and the Company.

Chairperson of the General Meeting

ERICSSON NIKOLA TESLA JSC Zagreb

(Snježana Bahtijari)

I, Antonija Juričić, court interpreter for English and Russian, as appointed by the President of the County Court – Commercial Court in Zagreb Decree No. 4 Su-636/16 of 7 July 2016 do hereby certify that the above translation is a faithful and complete translation of the original document written in the Croatian language.

Zagreb, 30 June 2017
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