

Бр./Nr. 02-2466/1

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Pursuant to Article 75 paragraph (4) of the Energy Law ("Official Gazette of the Republic of Macedonia" no. 101/25 and 135/25) Article 6 paragraph (1) of the Rulebook on the Certification of the Electricity Transmission System Operator and Natural Gas Transmission System Operator ("Official Gazette of the Republic of Macedonia" no. 146/18), proceeding upon the Application for Certification of the Electricity Transmission System Operator submitted by the Electricity Transmission System Operator of Macedonia, Joint-stock Company for Electricity Transmission and Power System Management Under State Ownership, Skopje, no. 12-1619/3 dated 22 August 2025, the Energy, Water Services and Municipal Waste Management Services Regulatory Commission of the Republic of North Macedonia, on 29 December 2025, adopted the following

DRAFT - DECISION

for certification and appointment of the electricity transmission system operator of the Republic of North Macedonia

1. The Electricity Transmission System Operator of the Republic of North Macedonia, the Joint-Stock Company for Electricity Transmission and Power System Management, Under State Ownership– Skopje, with headquarters in St. Maksim Gorki no. 4, Skopje, with unique corporate number: 5933781, performing the activity of electricity transmission, meets the prescribed conditions for certification as electricity transmission system operator and shall be appointed as Operator of the Electricity Transmission System of the Republic of North Macedonia.
2. The Electricity Transmission System Operator of the Republic of North Macedonia shall be obliged to, semi-annually report to the Energy, Water Services and Municipal Waste Management Services Regulatory Commission of the Republic of North Macedonia on the course of the procedures initiated before the Agency for Real-Estate Cadastre of the Republic of North Macedonia regarding the ownership entry of the real-estate through which it performs its activity.
3. This Decision shall enter into force on the day of its adoption and shall be published in the "Official Gazette of the Republic of North Macedonia" and on the web site of the Energy, Water Services and Municipal Waste Management Services Regulatory Commission of the Republic of North Macedonia.

Justification

I. LEGAL BASIS:

I.1. In line with Article 133 paragraph (1) of the Energy Law* ("Official Gazette of the Republic of North Macedonia" no. 101/25 and 135/25) the Electricity Transmission System Operator of the Republic of North Macedonia shall be a company that:

- 1) owns the electricity distribution network composed of transformer stations, line infrastructure facilities and other plants, facilities and assets in function of the electricity transmission management and electricity transmission,
- 2) is not a part of a vertically integrated company,
- 3) holds a license for performing the energy activity of electricity transmission,
- 4) does not perform other energy activities defined in the Energy Law* and is independent in its operation from performers of other energy activities, and
- 5) is a certified electricity transmission system operator by the Energy, Water Services, and Municipal Waste Management Services Regulatory Commission of the Republic of North Macedonia (hereinafter: The Energy Regulatory Commission).

Furthermore, Article 133 paragraph (2) of the Energy Law provides that in order to provide independence of the electricity transmission system operator, the same person/ s shall not be simultaneously entitled to:

- 1) directly or indirectly participate in the management of a company performing the activities of electricity production, storage, supply, or trade and in the same time directly or indirectly manage or exercise another right within the electricity transmission system operator,
- 2) directly or indirectly participate in the management of the electricity transmission system operator and in the same time directly or indirectly manage or exercise another right in a company performing the activities of electricity production, storage, supply, or trade,
- 3) appoint members of a supervisory authority or management authority of the electricity transmission system operator, and at the same time, directly or indirectly manage or exercise another right in a company performing the activities of electricity production, storage, supply or trade and
- 4) be member of a supervisory authority, management authority or of some of the authorities that legally represent the electricity transmission system operator, and at the same time be member of a respective authority or body in a company performing the activities of electricity production, storage, supply, or trade.

Article 133 paragraph (3) of the Energy Law* provides that the above-mentioned limitations shall specifically refer to:

- 1) use of the right to vote,
- 2) election and appointment of members of the supervisory/ management body, and/or
- 3) holding a majority share.

Article 133 paragraph (4) of the Energy Law provides that the electricity transmission system operator shall not hold licenses and shall not be included in the performance of the activities of electricity distribution, production, storage, supply, or trade, and shall not have a license for electricity market organization and management.

In line with Article 133 paragraph (6) of the Energy Law*, the electricity transmission system operator, and its staff are prohibited from sharing commercially sensitive information that they possess, to companies for electricity distribution, production, storage, supply, or trade. Furthermore, paragraph (7) of the same Article provides that a company performing the activity of electricity production, storage, supply, or trade:

1. Shall be also considered a company that performs some of the activities of gas production, storage, supply, or trade;
2. Shall not be considered a consumer that directly or indirectly participates in the management of companies performing some of the activities of electricity production, storage, and/or supply, if:
 - In an annual average level is a net electricity consumer considering its participation in the produced electricity from companies where it participates in management, and
 - The value of the electricity sold to third parties is insignificant compared to its other business activities.

I.2. In line with Article 134 paragraph (1) of the Energy Law*, the Ministry authorized for the affairs related to energy, mining and mineral resources (hereinafter: Ministry) shall be owner of the company that is electricity transmission system operator. Paragraph (2) of Article 134 shall provide that the Ministry is independent in adopting decisions for the election of a supervisory authority, i.e., of an authority of company management. The members of the supervisory authority, i.e., of the management authority of the electricity transmission system operator:

- 1) Are independent in the procedure for adopting decisions in line with the law, and
- 2) Shall not be elected as members of a supervisory body, i.e., of a management body of companies that perform electricity production, storage, supply, or trade, or of companies that may directly or indirectly influence the decision-making of these companies.

I.3. In line with Article 137 paragraph (1) of the Energy Law*, the electricity transmission operator must be certified as electricity transmission system operator, in a manner, procedure and in a timeline set in the Energy Law*. On 15 August 2019, the Energy Regulatory Commission adopted the Decision for Appointing and Certifying the Electricity Transmission System Operator of the Republic of North Macedonia no. 02-2851/1 dated 15 August 2019 ("Official Gazette of the Republic of North Macedonia" no. 175/19).

I.4. The Rulebook on the Certification of the Electricity Transmission System Operator and of the Natural Gas Transmission System Operator, that regulates the procedure for setting the compliance with the rules regulating the division and independence of the transmission system operator (hereinafter: Rulebook on Certification), was adopted by the Energy Regulatory Commission, on 1 August 2018 and entered into force on 15 August 2018 and the same is published in the „Official Gazette of the Republic of Macedonia“ no. 146/18.

I.5. Pursuant to Article 54, paragraph (1), point 1, subpoint 1.7 of the Energy Law*, the Energy Regulatory Commission, on 30 October 2019, adopted the Rulebook on the Certification of the Electricity

Transmission System Operator and of the Gas Transmission System Operator no. 01/2012/1 (Official Gazette of the Republic of North Macedonia" no. 226/25). In line with transitional and final provisions of the Rulebook, the initiated procedures for certification and for audit of certification, to the day of entry into force of this Rulebook, shall end in line with the provisions of the Rulebook on Certification.

II. COURSE OF PROCEDURE

II.1. In line with Article 137 paragraph (2) point (1) of the Energy Law*, the certification procedure of the electricity transmission system operator shall be carried out at the request of the electricity transmission system operator, to whom a license for performing the activity of electricity transmission is issued.

In line with Article 308 paragraph (3) of the Energy Law*, the company electricity transmission system operator, shall initiate the certification procedure referred to in Article 137 of the Energy Law*, within 30 days of the transfer of share ownership in line with paragraph (2) of the same Article.

According to Article 137 paragraph (4), within four months of the day of submission of the certification application by the electricity transmission system operator, the Energy Regulatory Commission shall prepare a draft-decision for certification of the electricity transmission system operator and along with all of the information related with the draft decision, shall immediately deliver it to the Energy Community Secretariat.

In line with Article 137 paragraph (5), within 60 days of the day of receipt of the opinion by the Energy Community Secretariat, the Energy Regulatory Commission shall adopt a decision upon the application for certification. The Energy Regulatory Commission shall consider the opinion of the Energy Community Secretariat and shall publish the reasons for possible deviations from the opinion.

In line with Article 137 paragraph (6), the Energy Regulatory Commission shall publish the Decision for Certification in the "Official Gazette of the Republic of North Macedonia" and on its web page, where it shall publish the opinion issued by the Energy Community Secretariat.

II.2. Pursuant to Article 308, paragraph (3) of the Energy Law and Article 3 of the Rulebook on Certification, the Electricity Transmission System Operator, the joint-stock company for electricity transmission and power system management, under state ownership, Skopje (hereinafter: JSC MEPSO Skopje), on 22 August 2025 submitted to the Energy Regulatory Commission an application for certification of the electricity transmission system operator, no. 12-1619/1 dated 22 August 2025 (hereinafter: Application for certification).

The application was submitted to the Energy Regulatory Commission in written and electronic form and it contains the data of the applicant and a statement requiring the initiation of the certification procedure in line with the Energy Law* ("Official Gazette of the Republic of North Macedonia" no. 101/25 and 135/25) and the Rulebook on Certification. The application was submitted in the adequate form provided in Annex 1 of the Rulebook on Certification. Attached to the Application for Certification, in line with Article 3 paragraph (3) of the Rulebook on Certification, the following was submitted:

- (1) A list of documents and other data attached to the application no. 02-4795/1 dated 21.8.2025,

- (2) A Registration Certificate, issued by the Central Registry of the Republic of North Macedonia dated 18.8.2025,
- (3) Consolidated text of the Statute of the applicant, a verified copy by a notary under UZP no.13249/2025 dated 19.8.2025,
- (4) Rules of Procedure of the Management Board of the applicant, a verified copy by a notary UZP no.13247/2025 dated 19.8.2025,
- (5) Rules of Procedure of the Supervisory Board of the applicant, and an additional verified copy by a notary UZP no.13662/2025 dated 26.8.2025,
- (6) List of members of the Management and Supervisory Board of the applicant no. 02-4795/2 dated 21.8.2025,
- (7) Registry of stake-holders' shares on the number of shares and number of votes of each stakeholder dated 4.8.2025,
- (8) A list of state authorities that have control or have another right upon the transmission system operator, as well as the justification that it is not controlled by another state authority or a third party, no. 02 - 4795/3 dated 21.8.2025,
- (9) Annual Financial Statements of JSC MEPSO in 2022, UZP no. 12754/2025 dated 11.8.2025, Consolidated Annual Financial Statements of JSC MEPSO in 2022 UZP no. 12756/2025 dated 11.8.2025 and Independent Audit's Report for 2022, no. 05-3220/2 dated 22.5.2023, a certified copy by a notary under UZP no. 12761/2025 dated 11.8.2025,
- (10) Annual Financial Statements of JSC MEPSO in 2023, UZP no. 12755/2025 dated 11.8.2025, Consolidated Annual Financial Statements of JSC MEPSO in 2023 UZP no. 12757/2025 dated 11.8.2025 and Independent Audit's Report for 2023, no. 05-4167 dated 18.6.2024, a certified copy by a notary under UZP no. 12762/2025 dated 11.8.2025,
- (11) Annual Financial Statements of JSC MEPSO in 2024, UZP no. 12753/2025 dated 11.8.2025, Consolidated Annual Financial Statements of JSC MEPSO in 2024 UZP no. 12758/2025 dated 11.8.2025 and Independent Audit's Report for 2024, no. 05-3487 dated 11.6.2025, a certified copy by a notary under UZP no. 12763/2025 dated 11.8.2025,
- (12) List of companies that perform energy activities, which are related to the applicant in line with the provisions from the Law on Trade Companies, no. 02 – 4795/4 dated 21.8.2025
- (13) Notice of the applicant's share holder that it does not own licenses/ or other authorizations for performing energy activities in the Republic of North Macedonia and/or other countries, no. 08-3872/3 dated 21.8.2025,
- (14) Statements, certified by a notary by the members of the management body, i.e. the supervisory body that they are not members of a management body, i.e. of a supervisory body i.e. employed in the company that performs electricity and/or natural gas generation, as well as electricity and/or natural gas trade and supply, or in company that has the possibility to influence directly or indirectly the decision-making of that company:
 - Statement by Jovan Lazarev, certified by a notary under UZP no. 11917/2025 dated 14.8.2025,
 - Statement by Elizabeta Giovska, certified by a notary under UZP no. 12969/2025 dated 14.8.2025,
 - Statement by Zoran Todorovski, certified by a notary under UZP no. 13147/2025 dated 18.8.2025

- Statement by Zvonko Boshkov, certified by a notary under UZP no. 3975/2025 dated 15.8.2025,
 - Statement by Simona Domazetovska Markovska, certified by a notary under UZP no. 11975/2025 dated 25.8.2025,
 - Statement by Aleksandar Paunoski, certified by a notary under UZP no. 13118/2025 dated 15.8.2025,
 - Statement by Sashko Llakinski, certified by a notary under UZP no. 10833/2025 dated 13.8.2025,
 - Statement by Vase Jovevski, certified by a notary under UZP no. 12562/2025 dated 7.8.2025,
 - Statement by Anastasija Ilieska, certified by a notary under UZP no. 10527/2025 dated 6.8.2025,
 - Statement by Martin Malinovski, certified by a notary under UZP no. 12620/2025 dated 8.8.2025,
 - Statement by Ivan Ivanov, certified by a notary under UZP no. 12895/2025 dated 13.8.2025,
- (15) Statements certified by a notary by the members of the management body and the supervisory body that in the decision-making procedures in line with the law do not demand nor accept instructions nor directions by the Government or another state authority, except for the cases determined by the Energy Law.
- Statement by Jovan Lazarev, certified by a notary under UZP no. 11916/2025 dated 14.8.2025,
 - Statement by Elizabeta Giovska, certified by a notary under UZP no. 12970/2025 dated 14.8.2025,
 - Statement by Zoran Todorovski, certified by a notary under UZP no. 13146/2025 dated 18.8.2025
 - Statement by Zvonko Boshkov, certified by a notary under UZP no. 3974/2025 dated 15.8.2025,
 - Statement by Simona Domazetovska Markovska, certified by a notary under UZP no. 11976/2025 dated 25.8.2025,
 - Statement by Aleksandar Paunoski, certified by a notary under UZP no. 13117/2025 dated 15.8.2025,
 - Statement by Sashko Llakinski, certified by a notary under UZP no. 10832/2025 dated 13.8.2025,
 - Statement by Vase Jovevski, certified by a notary under UZP no. 12561/2025 dated 7.8.2025,
 - Statement by Anastasija Ilieska, certified by a notary under UZP no. 10528/2025 dated 6.8.2025,
 - Statement by Martin Malinovski, certified by a notary under UZP no. 12621/2025 dated 8.8.2025,
 - Statement by Ivan Ivanov, certified by a notary under UZP no. 12894/2025 dated 13.8.2025,
- (16) Statement, certified by a notary, of the Minister of Energy, Mining and Mineral Resources, Sanja Bozhinovska, stating that as a minister, she shall not provide instructions and shall not influence the decision-making of the transmission system operator, certified by a notary under UZP no. 6736/2025 dated 21.8.2025,

- (17) Compliance Program of JSC MEPSO Skopje related to obligations deriving from ownership division, approved by the Energy Regulatory Commission with a decision no. 02-90/1 dated 18.1.2019,
- (18) The rules applied by the applicant aiming to prevent disclosure of confidential and other commercially sensitive information:
- Rulebook on Trade Secret of the applicant, a certified copy by a notary, under UZP no. 13248/2025 dated 19.8.2025,
 - Rulebook on the Manner of Performing Video Supervision at the Applicant, a certified copy by a notary, under UZP no. 13246/2025 dated 19.8.2025,
 - Rulebook on the Security of Personal Data Processing, a certified copy by a notary, under UZP no. 13250/2025 dated 19.8.2025,
 - Rulebook on the Form and Content of the Application for Determining Misdemeanor of the Provisions of the Law on Personal Data Protection, a certified copy by a notary under UZP no. 13251/2025 dated 19.8.2025,
 - A list of types of processing operations, subject to the request for assessment of the influence upon the protection of personal data, a certified copy by a notary under UZP no. 13243/2025 dated 19.8.2025,
 - Rulebook on the Assessment of the Influence of Personal Data Protection, a certified copy by a notary, under UZP no. 13244/2025 dated 19.8.2025,
 - Rulebook on the Notification on Personal High-Risk Data Processing, a certified copy by a notary, under UZP no. 13242/2025 dated 19.8.2025,
 - Rulebook on the Manner of Notification Regarding the Breach of Security of Personal Data, a certified copy by a notary, under UZP no. 13252/2025 dated 19.8.2025,
 - A list of types of processing operations, which are not subject to the assessment of the influence upon the protection of personal data, a certified copy by a notary under UZP no. 13245/2025 dated 19.8.2025,
- (19) Notice by the person controlling the applicant (Ministry) stating that no intern acts regulating the subject of operation with confidential and other commercial information has been adopted, i.e. that it operates in line with the Law on Classified Information, the Decree on Physical Security of Classified Information and the Decree on Administrative Security of Classified Information and of Information on Limited Used, no.08-3872/3 dated 21.8.2025,
- (20) A certificate, certifying that no ongoing bankruptcy procedure against the applicant is open, issued by the Central Registry of the RNM, dated 18.8.2025,
- (21) A certificate certifying that there is no ongoing liquidation procedure against the company, issued by the Central Registry of the RNM, dated 18.8.2025
- (22) List of licenses for performing energy activities that are issued to the applicant, no. 02-4795/5 dated 21.8.2025,
- (23) Applicant's organizational structure and the data with the number of staff in separate sectors, as well as the data on the number, education and professional qualification of the persons that administer and directly manage with the devices and plants used to perform the activity,
- (24) Evidence of property rights, i.e. the right to use a portion of the asset base used for performing the activity and/or evidence that a property rights registration procedure has been initiated and/or

evidence of registration of the portion of real estate used for performing the activity with the Agency for Real Estate Cadastre of the Republic of North Macedonia:

I. PROPERTY CERTIFICATES ON LINE INFRASTRUCTURE FACILITIES

1. Property certificate number 3325 for infrastructure facility TS Ohrid 1 – TS Ohrid 2 with a length of 3412,47m issued by the Agency for Real-Estate Cadastre of the Republic of North Macedonia (hereinafter: AKN), on 30.7.2025, a copy of the document issued in electronic form by a public authority,
2. Property certificate number 605 for infrastructure facility TS Bitola 4 – TS Bitola 1 with a length of 5935,39m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
3. Property certificate number 3268 for infrastructure facility TS Samkov 1 – Samkov with a length of 4381,36m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
4. Property certificate number 593 for infrastructure facility TS Gjorche Petrov – TS Skopje 1 with a length of 10995,33m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
5. Property certificate number 590 for infrastructure facility TS Skopje 4 – EVP Drachevo with a length of 883,39m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
6. Property certificate number 1077 for infrastructure facility TS Bitola 2 – TS Bitola 2 with a length of 663,73m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
7. Property certificate number 1273 for infrastructure facility TS Stip 1 – TS Probistip with a length of 25113,52m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
8. Property certificate number 1274 for infrastructure facility TS Ovche Pole – TS Stip with a length of 17781,85m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
9. Property certificate number 1507 for infrastructure facility TS Skopje 4 – TS Skopje 2 with a length of 5151,48m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
10. Property certificate number 1521 for infrastructure facility TS Stip 1 – TS Stip 2 with a length of 5269,51m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
11. Property certificate number 1826 for infrastructure facility TS Veles – TS Topilnica 2 with a length of 2237,27m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
12. Property certificate number 1866 for infrastructure facility TS Makedonska Kamenica – TS Delchevo with a length of 17161,93m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,

13. Property certificate number 662 for infrastructure facility TS Dubrovo 1 – TS Macedonian-Greek border with a length of 54437,43m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
14. Property certificate number 663 for infrastructure facility TS Bitola 1 – TS Greek border with a length of 22037,34m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
15. Property certificate number 1079 for infrastructure facility TS Bitola 2 – TS Bitola 3 with a length of 799,09m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
16. Property certificate number 447 for infrastructure facility 130/2 TS Skopje 4 – TS Skopje 2 with a length of 4114,27m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
17. Property certificate number 332 for infrastructure facility 126 TS Skopje 1 – Miladinovci 2 with a length of 16997,59m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
18. Property certificate number 448 for infrastructure facility TS Ohrid 4 – TS Ohrid 3 with a length of 15528,05m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
19. Property certificate number 726 for infrastructure facility TS Bitola 2 – TS Suvodol with a length of 3025,01m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
20. Property certificate number 980 for infrastructure facility TS Veles – TS Topilnica 1 with a length of 2174,13m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
21. Property certificate number 997 for infrastructure facility TS Veles – TS Veles 2 with a length of 3467,22m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
22. Property certificate number 673 for infrastructure facility TS Skopje 5 – TS Skopje 4 with a length of 19834,5m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
23. Property certificate number 721 for infrastructure facility TS Bitola 1 – TS Bitola 2 with a length of 12849,69m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
24. Property certificate number 722 for infrastructure facility TS Bitola 2 – TS Bitola 3 with a length of 11964,88m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
25. Property certificate number 606 for infrastructure facility TS Bitola 2 – TS Bitola 1 with a length of 663,81m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,

26. Property certificate number 607 for infrastructure facility TS Bitola 2 – TS Bitola 2 with a length of 421,75m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
27. Property certificate number 520 for infrastructure facility TS Skopje 1 – Miladinovci 1 with a length of 17000,85m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
28. Property certificate number 608 for infrastructure facility TS Bitola 2 – TS Bitola 1 with a length of 663,98m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
29. Property certificate number 609 for infrastructure facility TS Bitola 2 – TS Bitola 2 with a length of 423,25m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
30. Property certificate number 519 for infrastructure facility TS Skopje 4 – TS Petrovec with a length of 11325,29m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
31. Property certificate number 514 for infrastructure facility TS Oslomej – TS Kichevo with a length of 14626,25m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,
32. Property certificate number 553 for infrastructure facility HEC Globochica - TS Struga with a length of 32179,37m issued by AKN, on 30.7.2025, a copy of the document issued in electronic form by a public authority,

II. PROPERTY CERTIFICATES FOR FACILITIES

1. Property certificate number 100421 for KM Centar for business premises, issued by AKN, on 31.7.2025, a copy of the document issued in electronic form by a public authority,
2. Property certificate number 44621 for KM Centar 1 for business premises, issued by AKN, on 31.7.2025, a copy of the document issued in electronic form by a public authority,
3. Property certificate number 44860 for KM Kisela Voda 2 for buildings in other industries, issued by AKN, on 31.7.2025, a copy of the document issued in electronic form by a public authority,
4. Property certificate number 1082 for KM Centar 1 for business premises, issued by AKN, on 31.7.2025, a copy of the document issued in electronic form by a public authority,

III. PROPERTY CERTIFICATES FOR TRANSFORMER STATIONS

1. Property certificate number 104045 for KM Butel for TS (E.14), issued by AKN, on 18.8.2025, a copy of the document issued in electronic form by a public authority,
2. Property certificate number 94972 for KM Bitola 1/2, issued by AKN, on 18.8.2025, a copy of the document issued in electronic form by a public authority,
3. Property certificate number 91135 for KM Stip 1 for TS (E.14), issued by AKN, on 18.8.2025, a copy of the document issued in electronic form by a public authority,

4. Property certificate number 50688 for KM Basino Selo for TS (E.14), issued by AKN, on 18.8.2025, a copy of the document issued in electronic form by a public authority,
5. Property certificate number 4770 for KM Gorno Lisice for TS (E.14), issued by AKN, on 18.8.2025, a copy of the document issued in electronic form by a public authority,
6. Property certificate number 1642 for KM Glisliq for TS (E.14), issued by AKN, on 18.8.2025, a copy of the document issued in electronic form by a public authority,
7. Property certificate number 1017 for KM Prshovce - outside the city for TS (E.14), issued by AKN, on 18.8.2025, a copy of the document issued in electronic form by a public authority,,
8. Property certificate number 596 for KM Jegunovce for TS (G1-7), issued by AKN, on 18.8.2025, a copy of the document issued in electronic form by a public authority,
9. Property certificate number 445 for KM Samokov for TS (E.14), issued by AKN, on 18.8.2025, a copy of the document issued in electronic form by a public authority,
10. Property certificate number 273 for KM Krklino for TS (E.14), issued by AKN, on 18.8.2025, a copy of the document issued in electronic form by a public authority,
11. Property certificate number 125 for KM Dubrovo for facilities in other industries, issued by AKN, on 31.7.2025, a copy of the document issued in electronic form by a public authority,

II.3. Proceeding upon the application for certification and the submitted documents, the Energy Regulatory Commission determined certain shortcomings, whereby on 9 September 2025, adopted decision no.12-1619/3 determining that the application for certification is incomplete and not all necessary documents, data, and information, are submitted, and obliged JSC MEPSO Skopje, to submit the additional documents within 30 days from receiving the decision. The Energy Regulatory Commission published decision no. 12-1619/3 on its web page and the same was submitted to JSC MEPSO Skopje.

II.3.1. On 10 October 2025 , JSC MEPSO Skopje, proceeded upon the decision no. 12-1619/3 and to the Energy Regulatory Commission, submitted the documents, data, and information, thus completing the application for certification. The following was submitted additionally:

1. Statements referred to in Article (3) paragraph (3) point 10) of the Rulebook on Certification: Statements of all members of management body, i.e, of supervisory body, to comply with Article 133 paragraph (2) of the Energy Law*, i.e., to have the following content: Statements, certified by a notary by the members of the management body, i.e. the supervisory body stating that they do not participate directly or indirectly in management, i.e., that they are not members of an management body, i.e. of a supervisory body, i.e., employed, nor have another right in a company that performs the activity of electricity production, storage, trade, and supply and/or gas, nor in a company that may directly or indirectly influence the decision-making of that company
 - Statement by Burim Latifi, certified by a notary under UZP no. 15313/2025 dated 24.9.2025,
 - Statement by Aleksandar Paunoski, certified by a notary under UZP no. 16380/2025 dated 9.10.2025,
 - Statement by Sashko Llakinski, certified by a notary under UZP no. 15123/2025 dated 22.9.2025,

- Statement by Vase Jovevski, certified by a notary under UZP no. 15256/2025 dated 23.9.2025,
 - Statement by Anastasija Ilieska, certified by a notary under UZP no. 15131/2025 dated 22.9.2025,
 - Statement by Martin Malinovski, certified by a notary under UZP no. 15004/2025 dated 18.9.2025,
 - Statement by Ivan Ivanov, certified by a notary under UZP no. 15133/2025 dated 22.9.2025,
 - Statement by Jovan Lazarev, certified by a notary under UZP no. 15155/2025 dated 7.10.2025,
 - Statement by Elizabeta Giovska, certified by a notary under UZP no. 15038/2025 dated 19.9.2025,
 - Statement by Zoran Todorovski, certified by a notary under UZP no. 15056/2025 dated 19.9.2025
 - Statement by Zvonko Boshkov, certified by a notary under UZP no. 4508/2025 dated 18.9.2025,
 - Statement by Simona Domazetovska Markovska, certified by a notary under UZP no. 13453/2025 dated 24.9.2025,
 - Statement by Agron Rustemi, certified by a notary under UZP no. 4453/2025 dated 23.9.2025
2. Statements by Agron Rustemi and Burim Latifi in line with Article 3 paragraph (3) point 10) of the Rulebook on Certification, certified by a notary, since they were not attached to the application:
 - Statement by Burim Latifi, certified by a notary under UZP no. 15313/2025 dated 24.9.2025,
 - Statement by Agron Rustemi, certified by a notary under UZP no. 4453/2025 dated 23.9.2025.
 3. Statement in line with Article 3 paragraph (3) point 12) of the Rulebook on Certification which refers to the employee/s that were transferred at the applicant. If there are no employees that were transferred at the applicant in the period of two years before the submission of the application, the authorized person of the applicant shall provide a statement that there are no employees that are transferred at the applicant, and who performed managerial functions or were members of management bodies, i.e., of supervisory bodies in companies that performed the energy activities of electricity and/or gas production and storage, and of electricity and/or gas trade and supply, in the period of two years before the submission of the application:
 - Statement by Stevche Antovski, certified by a notary under UZP no. 15332/2025 dated 24.9.2025,
 4. Statement in line with Article 133 paragraph (4) of the Energy Law*. Statement of the Transmission System Operator that it does not hold licenses, and it is not included in performing the activities of distribution, production, storage, supply, and trade or a license for electricity market organization and management, certified by a notary.
 - Statement by Burim Latifi, certified by a notary under UZP no. 15315/2025 dated 24.9.2025
 5. Statements in line with Article 133 paragraph (2) point 4) of the Energy Law* certified by a notary, by members of the management body, i.e., of the supervisory body, that simultaneously they are not members of a management or supervisory body or of some of the bodies legally representing the transmission system operator, or a member of a respective organ or body in a company that performs the activities of electricity storage, supply, or trade.
 - Statement by Burim Latifi, certified by a notary under UZP no. 15314/2025 dated 24.9.2025,

- Statement by Aleksandar Paunoski, certified by a notary under UZP no. 16381/2025 dated 9.10.2025,
 - Statement by Sashko Llakinski, certified by a notary under UZP no. 15124/2025 dated 22.9.2025,
 - Statement by Vase Jovevski, certified by a notary under UZP no. 15255/2025 dated 23.9.2025,
 - Statement by Anastasija Ilieska, certified by a notary under UZP no. 15132/2025 dated 22.9.2025,
 - Statement by Martin Malinovski, certified by a notary under UZP no. 15005/2025 dated 18.9.2025,
 - Statement by Ivan Ivanov, certified by a notary under UZP no. 15134/2025 dated 22.9.2025,
 - Statement by Jovan Lazarev, certified by a notary under UZP no. 15154/2025 dated 7.10.2025,
 - Statement by Elizabeta Giovska, certified by a notary under UZP no. 15037/2025 dated 19.9.2025,
 - Statement by Zoran Todorovski, certified by a notary under UZP no. 15057/2025 dated 19.9.2025,
 - Statement by Zvonko Boshkov, certified by a notary under UZP no. 4509/2025 dated 18.9.2025,
 - Statement by Simona Domazetovska Markovska, certified by a notary under UZP no. 13454/2025 dated 24.9.2025,
 - Statement by Agron Rustemi, certified by a notary under UZP no. 4452/2025 dated 23.9.2025.
6. List of asset base used to perform the activity, and which are owned by the applicant, or which, under some legal basis, are used in line with Article 3 paragraph (3) point 19) of the Rulebook on Certification:
- Telecommunication network (description of optic infrastructure, description of telecommunication system on data transmission),
 - Skada/EMS (description of scada hardware and software, ENTSO E electronic highway system, ETSO data center, ENTSO E- MEPSO data exchange, supervision and management equipment in TS,
 - Points of connection and points of delivery (points of interchange - interconnections, points of receipt - production facilities, points of delivery- direct consumers, points of delivery-distribution system),
 - System for remote acquisition and data processing from AMR and MDM meters
 - Table overview of 400, 220,110, 35 kW transmission lines and a 110 kW of cable
 - Table overview of transformer stations,
 - Certificate of property no. 9106 KM Gazi Baba dated 9.10.2025,
 - Certificate of property no.4330 for TS Valandovo - TS Miletkovo dated 6.10.2025
 - Certificate of property no. 1720 for TS Struga -TS Ohrid 1 dated 6.10.2025
 - Certificate of property no. 1578 for TS Shtip -TS Kochani dated 6.10.2025
 - Certificate of property no. 836 for TS Resen -TS Ohrid 2 dated 6.10.2025
 - Certificate of property no. 873 for TS Petrovec -TS Veles dated 6.10.2025
 - Certificate of property no. 875 for TS Dubrovo -TS Stip dated 6.10.2025
 - Certificate of property no. 845 for TS Bitola 2 -TS Skopje 4 dated 6.10.2025

- Certificate of property no. 4762 for TS Bitola 2 -TS Dubrovo dated 6.10.2025
- Certificate of property no. 4701 for TS Skopje 4 -TS Dubrovo dated 6.10.2025
- Certificate of property no. 700 for TS Skopje 5 -TS Kosovo B dated 6.10.2025
- Certificate of property no. 4980 for TS Kumanovo 1 -TS Kratovo dated 6.10.2025
- Certificate of property no. 511 for TS Sopotnica -TS Bitola 1 dated 6.10.2025
- Certificate of property no. 835 for TS Kichevo -TS Sopotnica dated 6.10.2025
- Certificate of property no. 4939 for TS Berovo -TS Delchevo dated 6.10.2025
- Certificate of property no. 4978 for TS Kumanovo 2 -TS Rafinerija dated 6.10.2025
- Certificate of property no. 4938 for TS Radovish -TS Berovo dated 6.10.2025
- Certificate of property no. 5022 for TS Kriva Palanka -TS Kratovo dated 6.10.2025
- Certificate of property no. 4864 for TS Buchim -TS Radovish dated 6.10.2025
- Certificate of property no. 105195 KM Kisela Voda dated 18.8.2025
- Certificate of property no. 57 KM Chardaklija dated 18.8.2025
- Certificate of property no.2433 TS Veles 1 - TS Veles 2 dated 8.10.2025
- Certificate of property no. 677 for TS Skopje 1 -TS Skopje 4 dated 8.10.2025
- Certificate of property no. 2395 for TS Veles -TS Veles 1 dated 8.10.2025
- Certificate of property no. 4394 for TS Oslomej -TS Gostivar dated 8.10.2025
- A copy of the application for registration of the registered infrastructure facility TS Skopje - Hec Vrutok no. 11-6789 dated 30.11.2021
- A copy of the application for registration of the registered infrastructure facility TS Bitola 2 - TE Bitola 3 no. 11- 7025 dated 10.12.2021
- A copy of the application for registration of the registered infrastructure facility TS K. Palanka - Macedonian-Bulgarian border no. 11-5989 dated 20.10.2021
- A copy of the application for registration of the registered infrastructure facility HEC Tikvesh - TC Feni no. 11-5994 dated 20.10.2021
- A copy of the application for registration of the registered infrastructure facility TS Bitola 2 TE Bitola 2 no.11-7166 from 15.12.2021
- A copy of the application for registration of the registered infrastructure facility TS Bitola 2 - TE Bitola 1 no. 11-7165 dated 15.12.2021
- A copy of the application for registration of the registered infrastructure facility TS Bitola 2 TE Bitola 1 no.11-7106 dated 14.12.2021
- A copy of the application for registration of the registered infrastructure facility TE Oslomej - TE Samokov no.11-5991 dated 20.10.2025
- A copy of the application for registration of the registered infrastructure facility TS Sushica - Macedonian-Bulgarian border, no.11-5922 dated 18.12.2021
- A copy of the application for registration of the registered infrastructure facility TS Strumica - 1 TS Sushica no.11-5923 dated 18.10.2021
- A copy of the application for registration of the registered infrastructure facility TS Radovish TS Strumica 1 no. 11-5924 dated 18.10.2021
- A copy of the application for registration of the registered infrastructure facility TS Bitola 4 TS Bitola 1 no. 11-6920 dated 6.12.2021
- A copy of the application for registration of the registered infrastructure facility TS Resen TS-Bitola 4 no. 11-5669 dated 6.10.2021

- A copy of the application for registration of the registered infrastructure facility TS Skopje 1 - TS Kumanovo 1 no.11-5670 dated 6.10.2021
 - A copy of the application for registration of the registered infrastructure facility TS Valandovo - TS Strumica 2 no.11-5671 from 6.10.2021
 - A copy of the application for registration of the registered infrastructure facility HEC Tikvesh - TS Kavadarci no.11-5195 dated 15.9.2021
 - A copy of the application for registration of the registered infrastructure facility TS Zgropolci - 1 TS Kavadarci no.11-5196 dated 15.9.2021
 - A copy of the application for registration of the registered infrastructure facility TS Bitola 1 - TS Prilep 1 no.11-5191 dated 15.9.2021
 - A copy of the application for registration of the registered infrastructure facility TS Skopje 3 - TS Gjorche Petrov 1 no.11-4888 dated 26.8.2021
 - A copy of the application for registration of the registered infrastructure facility TS Sopotnica 1 - TS Bitola 1 no.11-6153 dated 1.11.2021
 - A copy of the application for registration of the registered infrastructure facility TS Kichevo - 1 TS Sopotnica no.11-4882 dated 26.8.2021
 - A copy of the application for registration of the registered infrastructure facility TS Veles - TS Ovche Pole no.11-5193 dated 15.9.2021
 - A copy of the application for registration of the registered infrastructure facility TS Skopje 1 - TS Skopje 4 no.11-4881 dated 26.8.2021
 - A copy of the application for registration of the registered infrastructure facility TS Skopje 1 - TE Kosovo B 1 no.11-4889 dated 26.8.2021
 - A copy of the application for registration of the registered infrastructure facility TS Skopje 1 TE Kosovo A no.11-4887 dated 26.8.2021
 - A copy of the application for registration of the registered infrastructure facility TS Skopje 1 - TS Kosovo B no.11-4676 dated 12.8.2021
 - A copy of the application for registration of the registered infrastructure facility TS Bitola 2 - TS Skopje 4 no.11-4675 dated 12.8.2021
 - A copy of the application for registration of the registered infrastructure facility TS Dubrovo TS Stip A no.11-4674 dated 12.8.2021
 - Application for allocating a single purchase agreement no. 11 no. 11-4826 dated 22.8.2025, whereby it is required to prepare Geodetic reports for 400 kW TS Bitola 2- Macedonian/Albanian border, TS Kavadarci - TS Dubrovo and TS Dubrovo - TS Buchim
 - Request for error correction no. 11-3317 dated 2.6.2025 for TS Skopje 1 - TS Skopje 4
 - Request for error correction no. 11-3316 dated 2.6.2025 for TS Skopje 5 - TS Kosovo B.
7. Statement of the authorized person, certified by a notary of accuracy of the data provided in line with Article 3 paragraph (3) point 21) of the Rulebook on Certification:
- Statement by Burim Latifi certified by a notary under UZP no. 13844/2025 dated 29.8.2025,
8. Translation of the request and of the documents into English by a court translator in line with Article 3 paragraph (4) of the Rulebook, specifically: Application for certification, Excerpt of the Shareholder Registration Book, Decision for withdrawal and appointment of new members, Statement by Burim Latifi on the accuracy of the data provided, Decision for Appointing Burim Latifi for Member of the Management Board, Decision for Appointing Aleksandar Paunovski for Member

of the Management Board, Decision for Appointing Martin Malinovski for Member of the Management Board, Decision for Appointing Vase Jovevski for Member of the Management Board, Decision for Appointing Sashko Lakinski for Member of the Management Board, Decision for Appointing Anastasija Ilijeska for Member of the Management Board, Decision for Appointing Ivan Ivanov for Member of the Management Board, Independent Audit's report on Consolidated financial statements for 2024, Independent Audit's Report on Financial statements for 2024.

9. On 16 December 2025, JSC MEPSO Skopje electronically submitted clarification on the data and number of employees in the Company as of 31 July 2025.
10. On 17 December 2025, JSC MEPSO Skopje, submitted:
 - Statement by Ibrahim Ibraimi certified by a notary under UZP no. 20965/2025 dated 17.12.2025, in line with Article 3 paragraph (3) point 12 of the Rulebook on Certification,
 - Statement by Ibrahim Ibraimi certified by a notary under UZP no. 20963/2025 dated 17.12.2025, in line with Article 3 paragraph (3) point 13 of the Rulebook on Certification,
 - Statement by Ibrahim Ibraimi certified by a notary under UZP no. 20964/2025 dated 17.12.2025, in line with Article 3 paragraph (3) point 11 of the Rulebook on Certification.
11. On 19 December 2025, JSC MEPSO Skopje, submitted a clarification referring to the technical construction of current transmission lines, i.e., on the type of poles.
12. On 22 December 2025, JSC MEPSO Skopje, submitted:
 - Decision of the Supervisory Board of JSC MEPSO Skopje, NO (Supervisory Board) no. 02-6425/1-2 dated 21 November 2025, for appointing Ibrahim Ibraimi as member of the Management Board, appointed as Director of Legal and General Affairs Sector and
 - Decision of the Supervisory Board of JSC MEPSO Skopje, NO (Supervisory Board) no. 02-6425/1-1 dated 21 November 2025, for revoking Martin Malinovski as member of the Management Board, who was appointed as Director of Department of Legal and General Affairs.

II.3.2. After reviewing the entire documentation submitted in the certification application procedure, the Energy Regulatory Commission concluded that the submitted documentation is orderly and complete and determined that the requirements prescribed by the Energy Law* have been met. In line with Article 137 paragraph (4) of the Energy Law and Article 5 paragraph (1) of the Rulebook on Certification, on 29 December 2025, the Energy Regulatory Commission prepared a draft-decision for certification with actual situation and submitted it to the Energy Community Secretariat.

III. FINDINGS

In the certification procedure for AD MEPSO Skopje, considering all submitted documents, data and information, the Energy Regulatory Commission determined the following facts:

III.1. JSC MEPSO Skopje and other state- owned or state- controlled performers of energy activities.

With the adoption of the Law on Transformation of "Elektrostopanstvo Makedonija" from 2004, transformation conditions were created for the, at the time, vertically integrated company for electricity production, transmission and distribution – Joint Stock Company for Production, Transmission and Distribution of Electricity- "Elektrostopanstvo Makedonija"- Skopje, state- owned– Skopje.

Based on Article 518 paragraph (4), and in relation to Article 417 paragraph (3) of the Law on Trade Companies and Article 4 of the Law on Transformation of "Elektrostopanstvo Makedonija", the Government in the capacity of a Shareholders Assembly, at the session held on 27th of September 2004 adopted a Decision for Division of AD "Elektrostopanstvo Makedonija" – Skopje, state- owned, by ownership unbundling, whereby AD "Elektrostopanstvo na Makedonija", was separated into the following two joint stock companies:

- JSC ESM Skopje – a state- owned joint stock company for electricity production, distribution and supply, and
- JSC MEPSO Skopje a state- owned joint stock company for electricity transmission and management of the electricity power system of Macedonia.

As it is visible from the Decision for Registration in the Trade Registry TRG no. 5987/05 from 9 September 2005, with the Government Decision no. 19-2626/1 from 30 June 2005 for restructuring of JSC ELEM SKOPJE by separation and founding, as well as with the Government Decision for Confirmation of the Plan for Division of JSC ESM Skopje by Separation and Founding no. 19-3244/2 dated 29 August 2005, the Plan for Separation of JSC ESM Skopje by separation and founding UO no. 02-3856/15/1 adopted by the Management Board of JSC ESM Skopje on 4 July 2005 was confirmed, and the following company was separated and founded:

- JSC ELEM Skopje, state- owned joint stock company for electricity production.

As it is visible from the Decision for Registration in the Trade Registry TRG no. 5987/05 from 9 September 2005 the Government Decision no. 19-2880/1 from 19 July 2005 for Statute amendment of JSC ESM Skopje by separation and founding, as well as with the Government Decision for Confirmation of the Plan Amending and Supplementing the Plan for Division of JSC ESM Skopje by Separation and Founding no. 19-3244/3 dated 29 August 2005, the Plan Amending and Supplementing the Plan for Separation of JSC ESM Skopje by separation and founding UO no. 02-4189/17/1 adopted by the Management Board of JSC ESM Skopje on 22 July 2005 was confirmed, and the following company was separated and founded:

- JSC TEC Negotino, state- owned joint stock company for electricity production.

After the separation of JSC ELEM SKOPJE and JSC TEC Negotino from JSC ESM Skopje, JSC ESM Skopje continues to perform the activities of electricity distribution and supply.

The division and reorganization of JSC "Elektrostopanstvo na Makedonija" was one of the conditions for liberalization of the power sector and creation of conditions for privatization of certain company components.

In order to privatize the electricity distribution sector in the country, at the session held on 26 January 2005, the Government adopted a Decision for Initiation of the Privatization Procedure for JSC ESM Skopje no. 19-267/1, whereby it was determined to perform the privatization of JSC ESM Skopje by selling at least 51% of the shares of JSC ESM Skopje to a strategic investor.

The privatization of JSC ESM Skopje was implemented during the period from December 2005 until March 2006, through a transparent international auction. The international tender for privatization of the majority share package of JSC ESM Skopje was announced on 9 December 2005, whereby seven companies were interested to participate- the Czech CEZ, Italian ENEL, Austrian EVN AG, the German RWE and EnBV, the Korean corporation Samsung and the American corporation AEC. After the Korean and American corporations and the German EnBV were dismissed in the pre-qualification process, due to non-fulfilment of the conditions, four companies remained eligible to acquire the majority ownership interest: EVN AG- Lower Austria distribution, CEZ- the Czech electricity company, RWE Energy AG- Dortmund, Germany and ENEL- the Italian electricity company. The Austrian company EVN AG won the tender for selling of the majority share package of JSC ESM Skopje, whereby on 17 March 2006, the Government and the Austrian corporation EVN AG signed the selling and purchasing agreement for the majority share package of JSC ESM Skopje.

After the implemented privatization of JSC ESM Skopje, where EVN AG became the holder of the majority shares, the remaining three entities established during the separation and reorganization of the vertically integrated company "Elektrostopanstvo na Makedonija" remained state- owned.

In line with Article 2 of the Law on Ownership and Other Real Rights ("Official Gazette of the Republic of Macedonia" no. 18/01, 92/08, 139/09 and 35/10) the state may acquire the right to ownership under conditions and in a manner provided with the law. In line with Article 112 paragraph 2 of the same law, the right to ownership may be acquired with a decision of the authorized state organ, in a manner and under terms set with the law. State functions, including acquisition, use, management, and disposition with its ownership shall be realized through the bodies of state authorities.

In line with Article 2 paragraph (4) of the Law on Privatization of the State Capital of Enterprises ("Official Gazette of the Republic of Macedonia" no. 37/96, 25/99, 81/99, 49/2000, 6/02, 31/03, 38/04, 74/05 and 123/12), the shares of the Republic of Macedonia and of organs of state authorities in enterprises and banks , i.e., trade companies acquired under different bases in line with the law are considered as state capital. Article 2-a of this Law provides that the term organs of state authorities shall refer to Ministries and other bodies of the state administration. In line with Article 3 of the same law, trade companies shall issue ordinary shares or a certificate of shares to the Republic of Macedonia, i.e., to the organs of state authorities on the value of the state capital.

Article 8 point 6) of the Law on Government ("Official Gazette of the Republic of Macedonia" no. 59/2000, 12/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 15/13, 139/14, 196/15, 142/16, 140/18 and „Official Gazette of the Republic of North Macedonia" no. 98/19) provides that the Government decides on the disposal and use of the state capital in line with the law.

Considering the provisions referred to in Article 3 paragraph (1) of the Law on Use and Disposal of the State- Owned Property and Municipal Property, i.e. that the state- owned property, used by the state bodies and legal entities founded by the state, shall be disposed of by the Government. The Government

shall own the shares in JSC ESM SKOPJE and JSC TEC Negotino as of their establishment until present day, until the adoption of the Decision no. 44-6841/1 for transfer of the shares of JSC MEPSO Skopje from Government ownership into ownership of the Ministry of Transport and Communications, in accordance with Article 72 paragraph (1) and Article 237 paragraph (1) of the Energy Law, the Government owned the shares of JSC MEPSO Skopje as well.

Based on amendments XXXIII, XXXIV, XXXV и XXXVI of the Constitution of the Republic of North Macedonia and the Constitutional Law for implementation of the amendments XXXIII to XXXVI of the Constitution of the Republic of North Macedonia (Official Gazette of the Republic of Macedonia no. 6 from 12.01.2019) as well as the conclusions of the Government adopted based on the adopted reports of the Inter-Ministerial Working Group on the fulfillment of the obligations of the Final Agreement solving differences described in United Nations Security Council Resolutions 817 (1993) and 845 (1993) for terminating the validity of the interim agreement of 1995 and establishing of strategic partnership between the parties, the names of JSC MEPSO Skopje, JSC ELEM SKOPJE and MEMO SMLLC Skopje were changed and adequately implemented in this decision as well, whereby the name:

- Electricity transmission system operator of Macedonia, joint-stock company on electricity transmission and power system management, under state-ownership Skopje - JSC MEPSO Skopje, was changed into the Electricity Transmission System Operator of the Republic of North Macedonia, joint-stock company on electricity transmission and power system management, under state ownership Skopje - JSC MEPSO Skopje.
- Macedonian Electricity Market Operator – MEMO DOOEL Skopje was changed to the National Electricity Market Operator – MEMO DOOEL Skopje
- Joint-Stock Company for Electricity Production Elektrani na Makedonija, under state ownership Skopje - JSC ELEM Skopje, was changed into Joint-Stock Company for Electricity Production Elektrani na Severna Makedonija, under state ownership Skopje - JSC ESM Skopje.

With a decision issued by the Central Registry of the Republic of North Macedonia, on 29 February 2024, for registration of the deletion of the Joint-Stock Company for Electricity Production TEC Negotino, under state ownership, Negotino, village of Dubrovo – Negotino, i.e., statute amendment - accession with deletion ODU no. 568/23 from 18 September 2023 and Minutes ODU no. 149/2024 – accession of the Joint-Stock Company on Electricity Production TEC Negotino, under state ownership, Negotino, village Dubrovo – Negotino, with EMBS 6026796 as a Company adhering the Joint-Stock Company for Electricity Production ELEKTRANI NA SEVERNA MAKEDONIJA, under state ownership Skopje, with EMBS 6023754, as a company that undertakes, with application of Article 30, 39 and 41 of the Law on One Stop Shop System and on Keeping Trade Registry and Registry on Other Legal Entities and Decision issued by the Central Register of the Republic of North Macedonia on 29 February 2024, for increasing the base principal and amending the Act Establishing the Joint-Stock Company on Electricity Production ELEKTRANI NA SEVERNA MAKEDONIJA, under state ownership, Skopje, with EMBS 6023754 and status change – accession with deletion of the subject Joint-Stock Company on Electricity Production TEC Negotino, under state-ownership, Negotino, village Dibrovo – Negotino, with EMBS 6026796 TEC Negotino became subsidiary of JSC ELEKTRANI NA SEVERNA MAKEDONIJA, under state ownership, Skopje.

In line with the above mentioned, on 8 July 2024, the Energy Regulatory Commission adopted the Decision Amending the License for Performing the Energy Activity of Electricity Production due to Increase of Capacities Used to Perform the Activity with an Additional Thermal Power Plant TEC "NEGOTINO" of the

Joint-Stock Company for Electricity Production ELEKTRANI NA SEVERNA MAKEDONIJA, under state ownership, Skopje UP1 no.12-270/24 („Official Gazette of the Republic of North Macedonia" no. 146/24).

III.1.1. JSC MEPSO Skopje

III.1.1.1. Ownership structure

JSC MEPSO Skopje as the first founded of the four legal inheritors of the state- owned vertically integrated company "Elektrostopanstvo na Makedonija" has been entered in the Trade Register of the authorized court in Skopje on 31 December 2004.

Based on the insight in the Shareholder Book, it is determined that the founding assets of JSC MEPSO Skopje is 3.059 billion MKD (49.8 million EUR) divided into 3.059.393 shares with voting right with a nominal value of 1.000 MKD per share.

Each regular share entitles its owner to vote on the affairs for which the JSC MEPSO Skopje shareholders vote.

In line with Article 278 of the Law on Trade Companies, the regular shares shall be shares entitling their owners to:

- vote in the company assembly;
- receive a part of the gaining (dividend) and
- receive a part of the bankruptcy, i.e. liquidation assets.

Aiming to meet the obligations derived from the Energy Law ("Official Gazette of the Republic of Macedonia" no. 96/18 and "Official Gazette of the Republic of North Macedonia" no. 96/19,236/22,134/24,147/24) in relation to the Ownership unbundling of energy activity performers, the procedure for transferring the ownership of the shares of JSC MEPSO Skopje was performed. In line with Article 237 paragraph (1) of the Energy Law, the Government, as a sole owner of the shares of JSC MEPSO Skopje and JSC ELEM SKOPJE since 2004, on 24 July 2018 adopted the Decision no.44-6841/1 for transfer of the shares of JSC MEPSO Skopje from Government ownership to ownership of the Ministry for Transport and Communications, whereby the ownership unbundling of JSC MEPSO Skopje as the electricity transmission operator of the Republic of Macedonia was performed, i.e. the Government ceased to be the sole shareholder of the company performing the activity of electricity production, supply and trade and of the company of electricity transmission.

In line with Article 134 paragraph (1) of the Energy Law*, the Ministry authorized for the affairs related to energy, mining and mineral resources shall be owner of the company that is the electricity transmission system operator.

Article 308 paragraph (1) and (2) provide that, within 60 days of the entry into force of the Law, the Government shall adopt a decision for transferring the ownership structure of the company that is electricity transmission system operator in line with Article 134 paragraph (1) of the law. The transfer of the share ownership of the company electricity transmission system operator, to an owner shall be registered in the Central Securities Depository within 10 days from the day of entry into force of this decision.

In the session held on 24 July 2025, the Government of the Republic of North Macedonia adopted the Decision no. 50-6306/18 for transferring ownership structure through the transfer of shares of the Electricity Transmission System Operator of the Republic of North Macedonia, Joint-Stock Company for Electricity Transmission and Power System Management, under state ownership Skopje, from the Ministry of Transport to the Ministry of Energy, Mining, and Mineral resources.

The shares of JSC MEPSO Skopje are owned by the Ministry of Energy, Mining, and Mineral resources and they are registered in the Central Securities Depository of the Republic of North Macedonia on 4 August 2025, based on Article 308, paragraph (1) and (2) of the Energy Law. In line with Article 134 paragraph (2) of the Energy Law*, the Ministry of Energy, Mining, and Mineral resources as a sole shareholder in the Assembly of Shareholders of JSC MEPSO Skopje, is independent in adopting decisions for appointing the Supervisory Board, i.e., of the Management Board of the Company. The members of the supervisory board, i.e., of management board of the electricity transmission system operator, shall be independent in the decision-making procedures in line with the law and shall not be elected as members of a supervision body, i.e., of a management body of companies that perform electricity production, storage, supply, or trade, or of companies that may directly or indirectly influence the decision-making of these companies.

The rights and obligations of the Assembly of JSC MEPSO Skopje shall be exercised by the Ministry of Energy, Mining, and Mineral resources as a sole shareholder. The Assembly of Shareholders shall exercise its rights and obligations in a manner set with Article 383 of the Law on Trade Companies and the Statute of JSC MEPSO Skopje. Based on Article 47 of the Law on Organization and Operation of the State Administration Bodies, it has been determined that the minister shall be in charge of the operation of the ministry, and according to Article 49 of this Law the minister shall represent the ministry, according to the aforementioned, the Minister of Energy, Mining, and Mineral resources shall preside with the Assembly of Shareholders, whereas in his/her absence, or hindrance with the Assembly shall preside a person authorized by them in a manner and procedure envisaged according to Article 392 of the Law on Trade Companies.

The Assembly of Shareholders shall be held in the cases determined with the Law on Trade Companies, as well as when such thing is in the best interest of JSC MEPSO Skopje and the Ministry of Energy, Mining, and Mineral resources.

The Shareholders Assembly shall decide only upon issues explicitly determined with the Law on Trade Companies and the Statute of JSC MEPSO Skopje, and in particular:

- amendment of the Statute of JSC MEPSO Skopje,
- approval of the annual account, financial statements and the annual report on the operations of JSC MEPSO Skopje for the previous business year and decision-making on the distribution of the revenues,
- appointment and dismissal of the Supervisory Board members,
- modification of the rights related to certain types and kinds of shares,
- approval of the operation and operation management of JSC MEPSO Skopje of the Management and Supervisory Board members,
- Increase and reduction of base principal of the company,
- appointment of a certified auditor for audit of the annual account and financial statements of JSC MEPSO Skopje

- transformation of JSC MEPSO Skopje in another company form and statute modifications of JSC MEPSO Skopje,
- termination of JSC MEPSO Skopje, and
- decisions for coverage of losses.

On the other hand, the Assembly of Shareholders is not entitled to decide on issues related to management, i.e., to the operation of the company, which is under the authorization of management bodies.

III.1.1.2. Supervisory Board and Management Board

The management of JSC MEPSO Skopje is organized in a two- instance system with a Supervisory Board and Management Board. The Supervisory Board, based on the Law on Trade Companies and the Statute of JSC MEPSO Skopje, controls and supervises the operation of the Management Board, and according to the Statute, the Management Board has the widest authorizations to decide for and manage JSC MEPSO Skopje. The members of the Supervisory Board are appointed by the Assembly of Shareholders of JSC MEPSO Skopje, whereas the members of the Management Board are appointed by the Supervisory Board. The Management Board is composed of the President of the Management Board who is also the Director-General, of the Vice Director-General, and department and subsidiary directors within JSC MEPSO Skopje.

The Supervisory Board performs supervision of the management of JSC MEPSO Skopje. The Supervisory Board may examine the books and documents of JSC MEPSO Skopje, as well as the assets, especially the treasury and securities.

The Supervisory Board of JSC MEPSO Skopje is composed of 7 members, two of whom are independent. During the appointment of the members of the Supervisory Board, it is highlighted which members are appointed as independent members of the Supervisory Board. The Supervisory Board, from the line of its members; with majority votes of the total number of the Supervisory Board members appoints the President of Supervisory Board. The term of the Supervisory Board members is four years.

At the session of the Assembly of Shareholders of JSC MEPSO Skopje held on 26 July 2024, based on Article 383, paragraph (1) item 3), Article 363 paragraphs (1) and (3), as well as Article 390 paragraph (4) of the Law on Trade Companies, and in relation to Article 72 paragraphs (1) and (2) of the Energy Law, the Ministry of Transport and Communications, in the capacity of owner of JSC MEPSO Skopje adopted a decision for dismissal and appointment of members of the Supervisory Board of JSC MEPSO Skopje, thus appointing the following as members of the Supervisory Board of JSC MEPSO Skopje:

- Jovan Lazarev - member of the Supervisory Board,
- Ali Ismail - member of the Supervisory Board,
- Agron Rustemi - member of the Supervisory Board,
- Elizabeta Giovska - member of the Supervisory Board,
- Zoran Todorovski - member of the Supervisory Board,
- Zvonko Boshkov - member of the Supervisory Board,
- Simona Domazetovska Markovska - member of the Supervisory Board,

Jovan Lazarev was elected as president of the Supervisory Board of JSC MEPSO Skopje.

The President of the Supervisory Board shall call and chair the meetings and shall be responsible for the meetings record keeping and the organization of other operation manners and decision making of the Supervisory Board. If the Supervisory Board President, due to any reason, cannot perform the function of president or if absent, a Supervisory Board member appointed by the Supervisory Board with majority votes of the members present, chairs the meetings. The Supervisory Board may adopt a decision without a meeting, if all members comply with the decision being adopted without a meeting. The Supervisory Board can operate with a minimum of half members present.

The Supervisory Board may at any time dismiss the president and appoint a new one.

The decision of the Supervisory Board shall be considered adopted, if they receive more than half of the votes of the total number of members of the Supervisory Board.

The president of the Management Board shall call the meetings and chairs with them and is responsible for keeping records and for the organization and other forms used by the Management Board to decide and operate. If the President of the Management Board, due to any reason, cannot perform the function of president or if absent, a member of the Management Board appointed by the Supervisory Board shall chair the meetings.

The Management Board may adopt a decision without a meeting, if all members comply with the decision being adopted without a meeting.

The Management Board may operate with a minimum of half members present.

The decisions of the Management Board shall be considered adopted, if they receive more than half of the votes of the total number of members of the Management Board.

In line with Article 19 of the Statute of JSC MEPSO Skopje, the Management Board of JSC MEPSO Skopje shall have the following authorizations:

- to adopt a development programme, annual operation plan and annual financial plan of JSC MEPSO Skopje,
- to determine the business policy,
- at the request of the Assembly of Shareholders, to prepare general acts and decisions, the adoption of which falls within the competence of the Assembly of Shareholders,
- to appoint management persons performing the daily operation management of JSC MEPSO Skopje,
- to submit initiatives for amending and supplementing the Statute of JSC MEPSO Skopje,
- to adopt investment decisions,
- to adopt decisions to grant, i.e. revoke loans regarding the Plan realization,
- to approve the conclusion of contracts of major significance and for a longer period of duration,
- to decide upon the internal organization of JSC MEPSO Skopje and systematization of working positions,
- to prepare a draft of the power balance,

- to decide on the use of special reserves,
- to adopt a programme of economic, technological, structural and other modifications that create the need to reduce the number of employees,
- to decide on issues in the area of defense and adopt the power balance in case of war,
- to decide upon the complaints for protection of the rights of the employees, in cases determined by law,
- to decide for undertaking work safety measures and fire protection,
- to decide on the takeover of power facilities,
- to adopt measures related to the environmental protection,
- to care for and take the necessary actions to meet the legally prescribed obligations of JSC MEPSO Skopje,
- to decide on the appointment and dismissal of the commissions members envisaged with the acts of JSC MEPSO Skopje,
- to decide on the inventory of the assets, claims and liabilities,
- to establish commissions composed from the line of the members of the Management Board and other persons,
- to decide on the purchase of asset base,
- to decide upon the expenditures and expropriation of asset base,
- to decide upon the leased asset base of JSC MEPSO Skopje,
- to determine working positions for which foreign citizens cannot establish a labor relation,
- to determine working positions with more severe work conditions than the regular,
- to decide upon requests from competent bodies and institutions,
- to determine the authorized signatories of JSC MEPSO Skopje,
- to decide upon the conclusion of a collective agreement,
- to adopt the Rules of Procedures,
- to adopt decisions for financial assistance, sponsorships and donations,
- to submit a report on the operation to the Supervisory Board once every three months,
- to submit the annual account, financial statements and the annual report of the operation of JSC MEPSO Skopje after the business year in question, and
- to perform other duties that do not fall under the competence of the Assembly and the Supervisory Board of JSC MEPSO Skopje.

With a prior approval of the Supervisory Board, the Management Board shall decide upon:

- the closing (termination) or transfer of a company or a part thereof that has a share in the revenue of JSC MEPSO Skopje with more than 10%,
- reduction or expansion of the scope of operation of JSC MEPSO Skopje,
- substantial internal organizational modifications of JSC MEPSO Skopje determined with an act adopted by JSC MEPSO Skopje,
- establishment a long- term cooperation with other companies of substantial significance for JSC MEPSO Skopje or its termination,

- establishment or termination of a trade company that participates with over one tenth in the share capital of JSC MEPSO Skopje,
- establishment or termination of subsidiaries of the company,
- adoption of the annual investment plan, public purchase plan, awarding of financial assistance such as loans, donations, sponsorships for amounts exceeding 50.000 EUR in MKD equivalence, and
- conclusion of a major transaction concerning assets with an appraised value exceeding 20% and up to 50% of the book value of the assets of JSC MEPSO Skopje.

With the decision for appointment of the members of the Management Board, one of the members of the Management Board shall be appointed for President, one for Vice President and one member shall be responsible for a particular area of operation of JSC MEPSO Skopje. On 29 July 2024, the Supervisory Board of JSC MEPSO Skopje adopted decisions for recall and election of members of the Management Board of JSC MEPSO Skopje:

- Burim Latifi - President of the Management Board of MEPSO Skopje and Director-General, appointed with a Decision adopted by the Supervisory Board of JSC MEPSO Skopje NO no. 02-5112/2-1,
- Aleksandar Paunovski - member of the Management Board of MEPSO Skopje and Vice Director-General, appointed with a Decision adopted by the Supervisory Board of JSC MEPSO Skopje NO no. 02-5112/2-2,
- Martin Malinovski - member of the Management Board and Director of Legal and General Affairs Department, appointed with a Decision adopted by the Supervisory Board of JSC MEPSO Skopje NO no. 02-5112/2-3,
- Sashko Lakinski - member of the Management Board and Director of Management with the Electricity Transmission System, appointed with a Decision adopted by the Supervisory Board of JSC MEPSO Skopje NO no. 02-5112/2-5,
- Vase Jovevski - member of the Management Board and Director of Electricity Transmission, appointed with a Decision adopted by the Supervisory Board of JSC MEPSO Skopje NO no. 02-5112/2-6
- Ivan Ivanov - member of the Management Board and Director of Information Technologies and Telecommunications, appointed with a Decision adopted by the Supervisory Board of JSC MEPSO Skopje NO no. 02-5112/2-6,
- Anastasija Ilieska - member of the Management Board and Director of Financial Affairs, appointed with a Decision adopted by the Supervisory Board of JSC MEPSO Skopje NO no. 02-5112/2-4,

On 29 July 2024, the Supervisory Board of JSC MEPSO Skopje adopted the following Decisions:

- Decision of the Supervisory Board of JSC MEPSO Skopje NO no.02-5112/1-1 dated 29 July 2024, for dismissing Zuhdi Enus from the function of President of the Management Board and Director-General of JSC MEPSO Skopje,
- Decision of the Supervisory Board of JSC MEPSO Skopje NO no.02-5112/1-1 dated 29 July 2024, for dismissing Nikola Rilak from the function of member of the Management Board and Vice Director-General of JSC MEPSO Skopje,

- Decision of the Supervisory Board of JSC MEPSO Skopje NO no.02-5112/1-1 dated 29 July 2024, for dismissing Bilen Saliji from the function of member of the Management Board and Director of Legal and General Affairs Department of JSC MEPSO Skopje,
- Decision of the Supervisory Board of JSC MEPSO Skopje NO no.02-5112/1-1 dated 29 July 2024, for dismissing Ljupcho Zikov from the function of member of the Management Board and Director of Financial Affairs of JSC MEPSO Skopje,
- Decision of the Supervisory Board of JSC MEPSO Skopje, NO (Supervisory Board) no. 025112/1-1 dated 29 July 2024, for dismissing Tomi Bozinovski from the function of member of the Management Board and Director of Information Technologies and Telecommunications of JSC MEPSO Skopje,
- Decision of the Supervisory Board of JSC MEPSO Skopje, NO (Supervisory Board) no. 025112/1-1 dated 29 July 2024, for dismissing Goce Mihajlovski from the function of member of the Management Board and Director of Subsidy ETSO of JSC MEPSO Skopje,
- Decision of the Supervisory Board of JSC MEPSO Skopje, NO (Supervisory Board) no. 025112/1-1 dated 29 July 2024, for dismissing Zoran Ilioski from the function of member of the Management Board and Director of subsidy TGO of JSC MEPSO Skopje,

Based on the additionally submitted documents, the Management Board of JSC MEPSO Skopje is composed of the following members:

- Burim Latifi, president of the Management Board
- Aleksandar Paunoski, vice-president and member of the Management Board,
- Sashko Lakinski, member of the Management Board,
- Vase Jovevski, member of the Management Board,
- Anastasija Ilieska, member of the Management Board,
- Ivan Ivanov, member of the Management Board,
- Ibrahim Ibraimi, member of the Management Board,

The term of the members of the Management Board is four years.

III.1.1.3. Compliance officer

According to Article 136 paragraph (2) of the Energy Law, the Supervisory Board with prior approval by the Energy Regulatory Commission shall appoint the Compliance Officer.

In line with Article 74 paragraph (5) of the Energy Law ("Official Gazette of the Republic of Macedonia" no. 96/18 and "Official Gazette of the Republic of North Macedonia" no. 96/19,236/22,134/24,147/24), with a decision no. 02-1709/1 dated 31 August 2018, the Energy Regulatory Commission approved the conditions regulating the mandate and conditions for appointing the compliance officer, comprising the duration of his mandate or employment, for providing independence, and all necessary conditions for performing his authorizations and duties.

In line with Article 74 paragraph (3) of the Energy Law ("Official Gazette of the Republic of Macedonia" no. 96/18 and "Official Gazette of the Republic of North Macedonia" no. 96/19,236/22,134/24,147/24) on 2 November 2023, with a letter no. 03-5643/3, JSC MEPSO Skopje submitted to the Energy Regulatory

Commission for approval a proposal for appointing Sasha Maksimovski for compliance officer in JSC MEPSO Skopje, registered under no. 12- 2308/1 dated 3 November 2023.

In addition to the document, JSC MEPSO Skopje submitted a Decision of the Supervisory Board of JSC MEPSO Skopje no.02-6481/2 dated 2 November 2023 appointing PhD Sasha Maksimovski as compliance officer in JSC MEPSO Skopje, which would create a legal action after approving the appointment by the Energy Regulatory Commission. The Decision no.02-6481/2 from 2 November 2023 was adopted by the Supervisory Board of JSC MEPSO Skopje after carrying out a call for appointing a Compliance Officer no.02-6010/4 from 12 October 2023. Also, in addition to the document, JSC MEPSO Skopje submitted a summarized biography and additional documentation on Sasha Maksimovski.

On 13 November 2023, the Energy Regulatory Commission held a session, whereby it adopted a Decision for approving the appointment of Sasha Maksimovski as Compliance Officer of JSC MEPSO Skopje no. 12- 2308/2 dated 13 November 2023.

The Compliance Officer, within their authorizations determined with the Energy Law, the Statute of JSC MEPSO Skopje and the Rulebook on the Operations, Authorizations, Rights, and Obligations of the Compliance Officer, shall be obliged to:

- continuously monitor and assess the business activities of the Supervisory Board and the Management Board of JSC MEPSO Skopje in order to assess and determine their independence in action, as well as to assess the risk of any possible misalignment of their activities with the enforced legal prescriptions and/or bylaws, the Compliance Programme, the Statute and other acts of JSC MEPSO Skopje,
- assess the risk exposure to any form of money laundering and/ or corruption and take measures to prevent such actions in compliance with the enforced legal prescriptions for prevention of corruption and money laundering. To this end, they shall cooperate with the internal audit and the professional services of JSC MEPSO Skopje,
- notify the Supervisory Board of JSC MEPSO Skopje in certain situations, if there is a potential or actual conflict of interests among the employees of JSC MEPSO Skopje,
- provide consultations regarding the prevention or elimination of the current conflict of interests as well as propose preventive and/ or corrective measures,
- educate, advice, train and inform the Supervisory Board, the Management Board and the employees of JSC MEPSO Skopje to legally act in accordance with the principles of independence, transparency and objectivity in the operation, prevention of any type of money laundering and/or corruption, as well as implementation and observance of the Compliance Programme,
- attend the sessions of the Management Board of JSC MEPSO Skopje if, according to the submitted agenda, they decide that such sessions contain items within their obligations and authorizations and their attendance is necessary,
- attend the sessions of the Supervisory Board of JSC MEPSO Skopje if, according to the submitted agenda, they decide that such sessions contain items within their obligations and authorizations and their attendance is necessary,
- attend the sessions of the Management Board and of the Supervisory Board of JSC MEPSO Skopje when decided upon:

- conditions related to the services for access and utilization of the electricity transmission system referring to prices, allocation of transmission capacity and congestion management,
 - projects related to management, maintenance and development of the electricity transmission system, including the investments in interconnection lines, and
 - electricity sale and purchase, necessary for the functioning of the electricity transmission system, including system balancing services.
- monitor the fulfillment of the obligations of the employees for the realization of the Compliance Programme,
 - ensure safe, diligent and proper data management, considering their confidentiality and personal information protection according to the positive legal prescriptions and bylaws,
 - evaluate the need to amend the internal acts of JSC MEPSO Skopje and propose adoption of new ones,
 - cooperate with the departments/subsidiaries of JSC MEPSO Skopje and their professional units/services/sections,
 - monitor the compliance of the operation process in JSC MEPSO Skopje in line with the Law on Energy and other positive legal regulations where additional corrective measures and activities are needed,
 - perform other assignments in line with the Energy Law, the Statute of JSC MEPSO Skopje and the Compliance Programme.

According to Article 136 paragraph (4) of the Energy Law, the Supervisory Board, with prior approval by the Energy Regulatory Commission may dismiss the Compliance Officer. Upon a request of the Energy Regulatory Commission, the Supervisory Board shall dismiss the Compliance Officer due to non- fulfillment of the conditions for independence or professional expertise.

III.1.1.4. Organization structure

According to the Rulebook on Internal Organization of JSC MEPSO Skopje, the operations and assignments are grouped according to their type, complexity, their connection and other characteristics of tasks and assignments, the type and degree of professional training and other conditions needed for their completion. The internal organization of the company determines the following organizational forms:

- 1) Compliance officer
- 2) Company directorate within which the following organizational units have been established:
 - Director-General office,
 - Deputy Director-General office,
 - Department on Legal and General Affairs,
 - Department on Financial Affairs, and
 - Department on Information Technology and Telecommunications.
- 3) JSC MEPSO Skopje operates through two subsidiaries:
 - Subsidiary Transmission Grid Operator and

- Subsidiary Electricity Transmission System Operator.

Within the subsidiaries, the following organizational units have been envisaged: office, sector, service, unit and so on.

4) Human resources

As of 31 July 2025, the overall number of employees, in different departments is 640, whereby:

- 2 officers at the compliance officer's section (higher education)
- 90 employees in the office of the Director General and of the Deputy Director General (80 employees with higher education, 10 employees with secondary professional education),
- 274 employees in the subsidiary Transmission Grid Operator (57 employees with higher education, 217 employees with secondary professional education),
- 61 employees in the subsidiary Electricity Transmission System Operator (55 employees with higher education, 6 employees with secondary professional education),
- 61 employees in the Department of Financial Affairs (42 employees with higher education, 19 employees with secondary professional education),
- 31 employees in the Department of Information Technology and Telecommunications (20 employees with higher education, 11 employees with secondary professional education),-
- 121 employees in the Department of Legal and General Affairs (55 employees with higher education, 66 employees with secondary professional education),

The structure of employees in JSC MEPSO Skopje according to the type and degree of education is as follows:

- 105 electrical engineers,
- 18 mechanical engineers,
- 13 civil engineers,
- 22 legal staff,
- 55 economists,
- 101 employees with other type of higher education, and
- 326 employees with III and IV education degree.

The members of the Management Board have the following education: 3 electrical engineers, 1 mechanical engineer, 1 lawyer, 2 economists.

Article 3 paragraph (3) item 12 of the Rulebook on Certification envisages that the employees that were transferred to JSC MEPSO Skopje, who performed managing functions or were members of management bodies, i.e. supervisory bodies in companies that performed the energy activity of electricity and/ or natural gas production, as well as electricity and/ or natural gas trade and supply, within two years prior to submitting the application for certification, are to submit a statement that they shall not disclose business sensitive information to companies that perform electricity and/ or natural gas production, as well as electricity and/ or natural gas trade and supply. From 31 July 2024, Stevche Antovski is member of the Supervisory Board of JSC ESM Skopje. As a JSC MEPSO Skopje employee, who during the two year period prior to the submission

of the application for certification was a member of the Supervisory Board of a company performing the energy activity of electricity production, in addition to the application for certification, a statement by Stevche Antevski has been submitted confirming that he will not disclose business sensitive information to the company performing the energy activity of electricity production - JSC ESM SKOPJE.

III.1.1.5. LICENSES

JSC MEPSO Skopje holds licenses to:

- perform the energy activity of electricity transmission issued with Decision dated 14 November 2005, amended with the Decision dated 21 March 2017, and amended with Decision dated 12 July 2019, with an expiration date of 14 November 2040.

In line with Article 133 paragraph (4) of the Energy Law*, the company that holds a license for performing the activity of electricity transmission, cannot be holder of licenses and cannot be included in the performance of the activities of electricity production, distribution, trade and supply, and it cannot be holder of a license of electricity market organization and management.

III.1.1.6. Obligations of JSC MEPSO Skopje as the electricity transmission system operator

The electricity transmission system operator, in accordance with the Energy Law and the provisions and rules adopted based on the Energy Law, is obliged to:

- connect the producers, storage operators and electricity consumers and the electricity distribution system operator comprising closed electricity distribution system in the Republic of North Macedonia, and to provide increase of approved capacity of already connected electricity producers, storages, and consumers, and of electricity distribution system in the Republic of North Macedonia and to publish on its web page the term and fees for connection and to provide increase of approved capacity,
- to publish on its web page or in another manner to provide all necessary information for access, and the tariffs on electricity transmission and to provide access to all users to the electricity transmission system;
- dispose of material, technical and human resources at all times, as well as have financial assets necessary for the fulfillment of its obligations,
- conclude contracts with the related neighboring electricity transmission systems operators in order to provide safe, secure and quality electricity transmission, and data exchange aiming to an optimal electricity transmission network management and use of interconnection capacities;
- accept and provide cross-border electricity flows through the electricity transmission network of the Republic of North Macedonia within the disposable transmission capacity
- participate in the preparation of regional TCM, and to prepare national and Paneuropean TCM;
- adopt the Development Plan of the Electricity Transmission System for the period of 10 years;

- cooperate with ENTSO-E and with electricity transmission system operators and contracting parties of the Energy Community and member states of the European Union for the preparation of the ten-year development plan of the electricity transmission grid of the European Union and for the compliance of regional investment plans for development of electricity transmission grids;
- prepare an annual plan for maintenance of the interconnection lines of the electricity transmission grid, aligned with the operators of the connected electricity transmission systems and after approval from the Energy Regulatory Commission, to publish it on its web site;
- prepare an annual plan for maintenance of the interconnection lines of the electricity transmission grid, and after approval from the Energy Regulatory Commission, to publish it on its web site;
- build new and upgrade the current interconnection lines, considering the efficient utilization of the current interconnection capacities, avoiding possible internal congestions and balance between investment costs and consumer benefits,
- provide digitalization of the electricity transmission system and application of smart grids, smart metering systems and efficient data collection from the system in real time;
- organize and manage the balancing energy market;
- establish and keep the registry of balance responsible parties;
- prepare a final daily agenda in cooperation with the electricity market operator and record and store the data obtained in the process of preparation of the final daily agenda,
- provide daily dispatching by applying the self-dispatching model, and management in real time with the electricity flows in the electricity transmission grid and interconnection lines, considering the total electricity production and demand in the Republic of North Macedonia, and the internal and cross border transactions based on the final daily agenda,
- provide data exchange with other power system operators, necessary for meeting the obligations derived from the membership in ENTSO-E and for secure and efficient management of the power system of the Republic of North Macedonia;
- stimulate the cross-border electricity exchange by applying implicit auctions for short term allocations of transmission capacities in the organized electricity market, and through cross-border connection of mechanisms for balance energy exchange and reserve power,
- publish data and timely provide information to the operators of the neighboring electricity transmission systems for the disposable transmission capacities of the interconnection lines, in order to provide non-discriminatory, objective and transparent access to and use of the electricity transmission system,
- provide installation and maintenance of metering devices and meter the electricity at all metering points of reception and delivery of the electricity transmission system and submit the metering data to system users and the electricity market operator,
- provide the electricity transmission system users with access to metering devices within its ownership,
- purchase system services not used for regulation of frequency and services for balancing of the electricity transmission system, in line with Article 147 of this law;
- prepare rules on electricity purchase for covering the losses in the electricity transmission system, previously approved by the Energy Regulatory Commission, and purchase electricity in line with adopted rules,

- purchase electricity for covering the losses in the electricity transmission grid and electricity for own needs, in order to ensure safe and reliable functioning of the electricity transmission system, in market conditions in a transparent and non-discriminatory manner,
- resolve congestions in the electricity transmission system in line with this law and the provisions and rules adopted based on this law;
- provide balancing of the power system under market terms, and alignment of the deviations and balancing services, as well as ensure the invoicing, and charging of balancing services, in line with the Rules on Balancing Energy,
- participate in the regionally coordinated calculation of cross-border transmission capacities, and in the preparation of rules and/or methodologies for coordinated calculation of capacities;
- participate in electricity market coupling and in transactions of coupled markets, and in the preparation of rules and/or methodologies of electricity market coupling;
- cooperate with NEMO in procedures for setting the dispatching order of generation plants and consumers for congestion management in coupled electricity markets;
- provide confidentiality of business data of users of the electricity transmission system;
- keep dispatcher book, registers on the reliability of the electricity transmission system, data from the monitoring and management system, and metering data, and store them for at least 10 years;
- keep records on the operation of the electricity transmission system and at the request of the Energy Regulatory Commission, to provide access to the data;

The electricity transmission system operator may temporarily terminate electricity supply through the electricity transmission system:

- With prior notice, during planned controls, inspections, check metering, maintenance, reconstruction, expansions of the network, equipment and installation, connection of new users to the electricity transmission system and
- With no prior notice in cases when a need to prevent failure of operation and other risks of problems in the power system appear, or in the case of a force majeure.

The Electricity Transmission System Operator, and the other electricity transmission system operators, shall be obliged, before submitting the draft-regional TCM, or their amendment or supplement, to consult:

- In a period no shorter than one month, the concerned electricity market participants, users of the electricity transmission system and users in the Republic of North Macedonia, and if needed, in a regional level to consult contracting parties of the Energy Community and the concerned member-states of the European Union.
- After the consultations, the draft shall be submitted to all electricity transmission system operators, that are concerned with its application;
- Sets a proposal, considering all notes received in the consultations, which shall be submitted to the Energy Regulatory Commission for approval, and

- Attached to the proposal, a justification for accepting or refusing the notes received during the consultations shall be submitted, which shall be published on its web page before or simultaneously with the publication of the adopted proposal.

The electricity transmission system operator, may calculate contracting exchanges as a result of individual intra-day coupling, whereby it prepares a proposal on the joint methodology for the calculation. The proposal on the joint methodology shall be subject to public hearing with concerned parties, comprising relevant authorities of each contracting party of the Energy Community and member-state of the European Union.

III.1.1.7. Participation in regional and international associations performing energy activities

JSC MEPSO Skopje is a full member of the ENTSO-E. which has 40 transmission system operators as its members, from 36 countries in Europe and two electricity transmission operators from two countries.

The full membership agreement of our national electricity transmission system operator has been signed in Brussels in 2008, with application commencement on 1st of July 2009, between the general managers of 42 electricity transmission system operators from 34 countries in Europe. JSC MEPSO Skopje is a full ENTSO- E member with the right to vote. The main objective of ENTSO- E is to respond to the challenges brought by the changes in the electricity system and ensure safe supply at the same time.

JSC MEPSO Skopje in addition to the Application for Certification submitted a list of companies that perform energy activities related to JSC MEPSO Skopje. According to the list JSC MEPSO Skopje is the founder of and has control and influence over the operation of the following legal entities:

- Electricity Coordinating Center LLC (hereinafter: EKC), with headquarters in Belgrade, where JSC MEPSO Skopje holds equal share as the other founders in the amount of 49.548,31 EUR which is 25,00% of the total founding capital,
- Office for cross border transmission capacities in South- East Europe (hereinafter: SEE CAO) with headquarters in Podgorica where JSC MEPSO Skopje has an equal share as the rest of the founders in the amount of 40 000 EUR, which is 12,5 % of the total founding capital, and
- Macedonian electricity market operator MEMO DOOEL Skopje (hereinafter; MEMO DOOEL Skopje) where JSC MEPSO Skopje is the founder and sole owner.

EKC, as a consulting company, has been established in 1993 with the purpose of coordinating the electricity systems of Montenegro, Serbia and the Republic of Macedonia. The founders of EKC are the four operators of the electricity transmission systems in Montenegro, Serbia, The Serb Republic and the Republic of Macedonia. EKC has grown into a legitimate consulting house on the territory of South- East Europe, at the same time providing continuous professional support for the founders, i.e. JSC MEPSO Skopje and the other owners in the operative affairs and the area of strategic planning.

SEE CAO has been established in 2014 with the SEE CAO Founding Agreement, at the meeting of the Management Board held in Izmir, the Republic of Turkey in March 2014 by the electricity transmission operators of Turkey, Greece, Croatia, Montenegro, Bosnia and Herzegovina, Albania and Kosovo. JSC

MEPSO Skopje on 31.05.2016 concluded an agreement and became a founder and partner in SEE CAO. SEE CAO is a regional company that organizes auctions for lease of disposable cross border capacities.

JSC MEPSO Skopje based on Article 237 item 9 from the Energy Law adopted the Decision no. 02-5479/1 from 31.08.2018 to establish the company MEMO DOOEL Skopje, with headquarters on St. "Maxim Gorki" no. 4 Skopje. MEMO DOOEL Skopje, has been registered in the Central Register of the Republic of Macedonia on 8 October 2018.

The legal entities where JSC MEPSO Skopje participates, do not perform the activity of electricity production, distribution, storage, trade, or supply and none of them holds a license to perform such activities which can be confirmed with the respective documentation issued by the trade register from the location where the office of those legal entities has been registered.

In line with Article 115 paragraph (1) and (2): the company that owns the license for performing the activity of electricity market organization and management, cannot be holder of a license and cannot participate in the electricity production, storage, transmission and electricity transmission system management, and electricity distribution, trade, and supply. In the cases when the electricity market operator is under ownership of the electricity transmission system operator, the electricity market operator shall provide its functional independence from the electricity transmission system operator, in the legal, organization, and decision-making aspect, in line with the program referred to in Article 135 of the Energy Law*.

III.1.1.8. Realization of revenues while performing the regulated energy activity of electricity transmission

According to the Energy Law, JSC MEPSO Skopje as an electricity transmission system operator, generates revenues from:

- Revenues from transmission of electricity
- Revenues from cross-border electricity flows
- Revenues from congestions in the electricity transmission systems
- Revenues from balancing services
- Revenues within the process of compensation between transmission system operators
- Revenues from fees for connection of users to the electricity transmission system
- Revenues from fees for using the electricity transmission system, paid by electricity users, connected to the electricity transmission network
- Revenues from sale of electricity surplus, purchased in line with Article 140 paragraph (1) item 22 and 24 of the Energy Law*
- Revenues of leasing the electricity transmission infrastructure in line with Article 262 of the Energy Law*
- Other revenues after the distribution of revenues from congestions referred to in Article 158 paragraph (5) of the Energy Law*
- Revenues from charging the fee for changing energy parameters, set in the decision for connection of an existing user.

It must be taken into account that, in line with Article 158 paragraph (5) and (6) of the Energy Law*, during the distribution of revenues from congestions, priority must be given to:

- Guaranteeing the availability of the allocated transmission capacity, comprising the fee for canceling the allocated firm transmission capacity, and
- Maintenance or increase of inter-zone transmission capacity by optimal use of current interconnection line, through coordinated correction activities or for covering the cost for investments in the grid, needed for reducing congestions or increasing the capacity of the interconnection line.

In the cases when even after the redistribution of revenues from congestions, remain additional revenues, the Energy Regulatory Commission may decide to consider those revenues as gain of the operator when approving the methodology on network tariff calculation or when adopting the tariff, or in both cases. The electricity transmission system operator, shall deposit the remaining revenues on its special account aiming to be used for priorities, when conditions are created for such a thing.

With provision and methodologies of tariff setting, the Energy Regulatory Commission shall regulate the manner of calculation, approval and control of maximum allowed revenues for performing the energy activity of electricity transmission.

The maximum allowed revenue shall set the upper limit of the revenue allowed to JSC MEPSO Skopje to be realized in the course for the calendar year.

The maximum allowed revenue is set to a level which provides to the regulated company to achieve:

- Coverage of justified operating costs and depreciation of assets used to perform the regulated activity of electricity transmission,
- a specified rate of return on capital, inclusive of investments, which will enable sustainable development and service availability provided for all electricity users across the territory of the Republic of North Macedonia.

In line with the set maximum allowed revenue (MAR) and the regulated tariff for performing the energy activity of electricity transmission, JSC MEPSO Skopje, as performer of the energy activity of electricity transmission, shall invoice the fee for using the electricity transmission system.

The overall fee for electricity transmission system usage is a sum of fees on:

- 1) Access to the electricity transmission system,
- 2) Peak active power,
- 3) Active electricity and
- 4) Excessively consumed reactive electricity.

The fee for using the electricity transmission system shall be paid by electricity users in the Republic of North Macedonia, in line with the published tariff. The electricity transmission system operator, shall invoice the fee for using the system to:

- Electricity producers directly connected to the electricity transmission system;
- Electricity storage operators connected to the electricity transmission system;
- Active consumer directly connected to the electricity transmission system;
- Distribution grid managed by an energy community;
- Closed electricity distribution system;
- Electricity distribution system connected to the electricity transmission system for users connected to the electricity distribution system;
- Electricity consumers directly connected to the electricity transmission system

The fees for electricity transmission system usage in individual transactions for electricity flows shall not be charged.

According to the practice so far, when distributing the revenues, JSC MEPSO Skopje does not share the dividend and shall continue to apply the same practice in the following period, i.e. the realized gaining shall be reinvested for the needs of expansion/ upgrade of the grid, as well as in legal and statutory reserves of JSC MEPSO Skopje.

III.1.1.9. Audit

In line with Article 478 of the Law on Trade Companies, JSC MEPSO Skopje is obliged to obtain an auditor opinion on financial statements, latest one month prior to the Assembly of Shareholders.

Based on Article 383 paragraph (1) item 8) of the Law on Trade Companies the Assembly of Shareholders of JSC MEPSO Skopje, shall adopt a decision for appointing an authorized auditor for auditing the annual account and financial statements, after the public purchase procedure in line with the Law on Public Purchase. The Assembly of Shareholders shall adopt a decision to appoint the certified auditor prior to the end of the business year for which the audit is being done. The Management Board, immediately after the receipt of the report on the performed audit, shall submit the report along with the annual account, financial statements and the annual report for operation of the company to the Supervisory Board. The Supervisory Board of JSC MEPSO Skopje shall examine the annual accounts and financial statements. At the request of the Supervisory Board, the certified auditor attends the meeting of the Supervisory Board. The Supervisory Board shall submit a written report to the Assembly of Shareholders on the results from the performed control. In the report, the Supervisory Board shall announce the manner in which the control was performed and its scope over the management of the company during the previous business year. The report also contains its standpoint on the results of the performed audit conducted by the certified auditor on the annual account and the financial statements and auditor's remarks on the composed annual account and the financial statements and proposes their adoption or dismissal.

The audit of the annual account and the financial statements of JSC MEPSO Skopje during the period 2022-2024 has been done by the certified audit house Audit & Business Advisory.

III.1.2. MEMO DOOEL Skopje

In line with Article 115 paragraph (1) of the Energy Law*, the company that owns the license for performing the activity of electricity market organization and management, cannot be holder of a license and cannot participate in the electricity production, storage, transmission and electricity transmission system management, and electricity distribution, trade, and supply.

Paragraph (2) of Article 115, provides that in the cases when the electricity market operator is under ownership of the electricity transmission system operator, the electricity market operator shall provide its functional independence from the electricity transmission system operator, in the legal, organizational, and decision-making aspect, in line with the program referred to in Article 135 of this law.

The electricity market operator shall be a company established by the electricity transmission system operator, performing the assignments referring to the organization, the efficient functioning and development of the markets with bilateral agreements and balancing energy and organized electricity market management.

Considering this, JSC MEPSO Skopje has founded and owns the National Electricity Market Operator MEMO DOOEL Skopje (hereinafter: MEMO DOOEL Skopje), registered in the Central Register of the Republic of North Macedonia on 8 October 2018.

In line with the Energy Law*, JSC MEPSO Skopje, as holder of the license for performing the activity of electricity transmission, cannot be holder of licenses and cannot be included in the performance of the activities of electricity production, distribution, trade and supply, and it cannot be holder of a license of electricity market organization and management. In order to meet this legal provision MEMO DOOEL Skopje on 21 March 2019 submitted an application for issuing a licence for organizing and managing the electricity market UP1 no. 12-15/19. On 25 September 2019, the Energy Regulatory Commission, adopted the Decision for Issuing the License for Performing the Energy Activity of Market Organization and Management to the National Electricity Market Operator - MEMO DOOEL Skopje, UP1 no. 12- 15/19 dated 25 September 2025 .("Official Gazette of the Republic of North Macedonia" no. 197/19 and 234/22)

The electricity market operator, in accordance with the Energy Law and the provisions and rules adopted based on the Energy Law, is obliged to perform:

- Management of the electricity market based on bilateral agreements;
- Calculation of imbalances of balance responsible parties and draft calculation of imbalancing costs in accordance with the monthly market plan and the final daily schedule, electricity metering, activated quantities of balancing services for each balancing service provider, and the settlement price obtained by the electricity transmission and distribution system operator;
- Timely delivery of all necessary data for preparing the final daily schedules for electricity purchase and sale in the Republic of North Macedonia to the electricity transmission system operator;
- Record keeping of all market participation contracts concluded with the electricity market participants;
- Record keeping of all contracts for balancing group concluded between the electricity market participants and the Electricity Market Operator;
- Preparation of a daily and monthly market plan;
- Keeping a Register of Market Participants;

- Publication of necessary information for continuous electricity market organization and management;
- Timely submit all information on the registered participants in the electricity market to the electricity transmission system operator,
- Monitor the operation of suppliers in relation to their participation in the retail market and undertakes activities for elimination of possible shortcomings influencing the security of supply and electricity price;
- Provide necessary information for the electricity supplier of last resort and
- Other operations set with the Energy Law*.

The electricity market operator cannot trade electricity, except for the cases of trade with electricity produced by preferential producers, that in line with the law regulating renewable sources, use feed in tariff.

The electricity market operator shall provide trade with guarantees on the origin in line with the law regulating renewable energy sources and keeps a Register on the Guarantee of Electricity Origin, produced by renewable energy sources, thus registering all issued, transferred and abolished or canceled guarantees on origin in line with the law regulating renewable energy sources.

The Electricity Market Operator shall cooperate with the electricity market operators from other countries and all regional and international organizations and associations.

The electricity market operator and the electricity transmission system operator shall keep record on transactions for electricity supply, regulating the rules for registration of the participation in the electricity market and for regulating the market on bilateral agreements.

According to Article 117 of the Law on Energy, the electricity market operator shall calculate and invoice the fee for using the electricity market based on the announced transactions, by applying the tariff set in the decision adopted by the Energy Regulatory Commission.

The electricity market operator, in accordance with this law and the provisions and rules adopted based on this law, is obliged to perform the following:

- Conclude agreements with participants in the organized electricity market, with the electricity transmission system operator, and other NEMO and electricity transmission system operators in contracting parties of the Energy Community and Member States of the European Union, which regulate mutual rights and obligations, the manner of ensuring the confidentiality of data on market transactions, as well as the publication of data necessary for the market functioning;
- Implicit auction of transmission capacities;
- Creation of electricity supply and demand curves, and
- financial settlement with participants in the organized market in accordance with the concluded agreements and the results obtained from day-ahead and intra day market coupling.

III.1.3. JSC ESM Skopje

JSC ESM SKOPJE as one of the four legal entities that were created in the process of reconstruction of “JSC Elektrostopanstvo na Makedonija” has been separated in an independent legal entity as a “Joint-stock company for electricity production, Elektrani na Makedonija, in state ownership, Skopje” (JSC ESM Skopje) with a Government Decision no. 19-2626/1 from 30.06.2005.

On 9 September 2005, JSC ESM SKOPJE was registered in the Trade Register of the Court of First Instance Skopje, under JSC ELEM Skopje.

JSC MEPSO Skopje and JSC ESM SKOPJE are state owned companies, which are independent in their ownership structure and management bodies. After the adoption of the Decision for transfer of shares from the ownership of the Government into the ownership of the Ministry, no. 50-6306/18 from 24 July 2025, the sole shareholder and owner of JSC MEPSO Skopje is the Ministry, whereas JSC ESM Skopje remained fully owned by the state.

Based on Article 3 paragraph (1) of the Law on Use and Disposal of the State Property and Municipal Property, the Government disposes of the state property used by the state bodies and state founded legal entities, if not regulated otherwise by this or another law. According to Article 2 paragraph (4) of the Law on Privatization of State Capital of Enterprises, state capital covers the shares of the Republic of North Macedonia and the state government bodies in the enterprises and banks, i.e. trade companies acquired on various bases in accordance with the law. Article 2-a of this Law provides that the term Organs of State Authorities shall refer to Ministries and other bodies of the state administration. In line with Article 3 of the same law, trade companies shall issue random shares or certificate of shares to the Republic of North Macedonia, i.e., to the organs of state authorities on the value of the state capital.

According to the aforementioned and considering the provisions from the Law on Use and Disposal of the State Property and Municipal Property, i.e. that the Government disposes of the state capital, the Government owns the shares of JSC ESM Skopje.

The management of JSC ESM Skopje is organized in a two- instance system with a Supervisory Board and Management Board. The members of the Supervisory Board are appointed by the Government of the Republic of North Macedonia in the capacity of Assembly of Shareholders of JSC ESM Skopje, whereas the members of the Management Board are appointed by the Supervisory Board.

In the session held on 30 July 2024, based on Article 383 paragraph (1) item 3), in the capacity of Assembly of Shareholders of JSC ESM Skopje, the Government adopted the Decision no. 14-6786/1 for revoking and appointing the members of the Supervisory Board of JSC ESM Skopje, whereby for members of the Supervisory Board of JSC ESM Skopje, the following members were appointed:

- Akesandar Murgovski - independent member,
- Maja Anachkova - independent member,
- Ivan Kukovski,
- Leko Ristovski,
- Erhan Ramadan,
- Jetmir Idrizi,

- Stevche Antovski,
- With the same decision, the following members were revoked:
- Slagjana Bogdanovikj,
 - Vasil Kocev - independent member,
 - Igor Petkov,
 - Sasho Dodovski,
 - Ridvan Asani,
 - Katerina Mitovska-Nakovska-independent member,
 - Arben Nesim.

With a Decision for revoking the member of the Supervisory Board of JSC ESM Skopje no. 18-5618/1 dated 3 June 2025, Ivan Kukovski was revoked.

With a Decision for revoking the member of the Supervisory Board of JSC ESM Skopje no. 18-6417/1 dated 1 July 2025, for appointing a member of the Supervisory Board, Aleksandar Manevski was appointed.

In the session held on 23 August 2024, based on Article 16, 18, and 34 of the Statute of JSC ESM Skopje, the Supervisory Board of JSC ESM Skopje, adopted the Decision NO no. 02-5111/3/2 for appointing the members of the Management Board:

Members of the Management Board of JSC ESM Skopje, shall be the following:

- Lazo Uzunchev - Director General,
- Redzep Asani - Deputy Director-General;
- Ivan Stojanovski - Director of Financial Affairs;
- Vladimir Pejovski - Director of Development and Investment;
- Gjogji Gjorgjievski - Director of Legal and General Affairs;
- Viktor Jovanovski - Director of Commercial Affairs, and
- Zoran Konjanovski - Director of Electricity Production.

In the session held on 14 April 2025, the Supervisory Board of JSC ESM Skopje, based on Article 354 of the Law on Trade Companies and Article 34 of the Statute of JSC ESM Skopje, adopted the Decision for Terminating the Function of the Member of the Management Board, with the title Director of Legal and General Affairs NO no. 02-2405/26/6, terminating the function of Gjogji Gjorgjievski.

In the session held on 23 August 2024, the Supervisory Board of JSC ESM Skopje, adopted the Decision for Revoking the Members of the Management Board of JSC ESM Skopje NO no. 02-5111/3/1 revoking:

- Vasko Stafanov, President of the Management Board and Director-General
- PhD Imer Zenku, member of the Management Board and Deputy Director-General
- Dushica Seizovska Jovanovikj - member of the Management Board and Director of Legal and General Affairs

- Blagojche Trpovski - member of the Management Board and Director for Electricity Production
- Viktor Andonov - member of the Management Board and Director of Development and Investments
- Marija Pejnova - member of the Management Board and Director of Financial Affairs
- Ardijan Mucha - member of the Management Board and Director of Commercial Affairs

The appointed members of the Management Board and the Supervisory Board of JSC ESM Skopje, are not members of the management body, i.e., of supervision in another company, which has the same or similar subject of operation of the company, in line with Article 348 paragraph (1) item 3 of the Law on Trade Companies.

Within JSC ESM Skopje is the directorate and seven subsidiaries, not in the capacity of legal entity. The Directorate has its headquarters in Skopje, whereas the subsidiaries are:

- Mining and Energy Combine (hereinafter: REK) "Bitola" - Novaci, with headquarters in Novaci,
- REK "Oslomej" - Oslomej, with headquarters in Oslomej,
- HEC (Hydro Power Plant) "Mavrovo" - Gostivar, with headquarters in Gostivar
- HEC "Crn Drim" - Struga with headquarters in Struga
- HEC (Hydro Power Plant) "Treska" - Skopje, with headquarters in Skopje
- HEC "Tikvesh" - Kavadarci with headquarters in Vozarci,
- "Energetika" - Skopje with headquarters in Skopje.
- TEC Negotino - Negotino, with headquarters in village Dubrovo

Each subsidiary is managed by a director, i.e. directors appointed by the Management Board. The subsidiaries of JSC ESM SKOPJE are organized with an act of the Management Board with prior approval of the Supervisory Board.

The registered share capital of JSC ESM SKOPJE is 31.738.878.000 MKD or 517.818.006 EUR. The registered share capital of the company is divided into 31.738.878 ordinary shares with nominal value of 1.000 MKD.

According to the practice so far, when distributing the revenues, JSC ESM Skopje does not share the dividend and shall continue to apply the same practice in the following period, i.e. the realized gaining shall be reinvested for the needs of expansion/ upgrade of production capacities, as well as in legal and statutory reserves of JSC ESM Skopje.

The audit house RSM Makedonija DOOEL Skopje has been selected to audit the annual account and financial statements of JSC ESM SKOPJE for 2022, 2023, and 2024.

JSC ESM Skopje, is the founder of the following limited liability companies founded by a single person:

- Company for district heating production ESM PROIZVODSTVO NA TOPLINA DOOEL Skopje;
- Company for District Heating Distribution ESM DISTRIBUCIJA NA TOPLINA DOOEL Skopje;
- Company for District Heating Distribution ESM DISTRIBUCIJA NA TOPLINA DOOEL Skopje;
- Limited Liability Company Founded by Single person ESM PRODAZBA DOOEL Skopje;
- Company on Tourism, Gastronomy, Recreation, and Sport, ELEM TURS DOOEL - Skopje, established in 2012, joined by DUT Molika DOOEL - Bitola and DUT Popova Sapka DOOEL - Tetovo, dated 1 November 2012,

- Factory on Equipment and Parts FOD DOOEL - Novaci, JSC ESM Skopje, founded in 1997,
- Company on Production, Distribution and Supply with District Heating, ESM TOPLIFIKACIJA DOOEL Bitola.

As largest electricity producer in the Republic of North Macedonia, JSC ESM Skopje meets approximately 50% of the needs of electricity consumers in the Republic of North Macedonia. JSC ESM Skopje is owner of the following production capacities:

- Two thermal power plants on coal (TE REK Bitola and TE Oslomej) with overall installed capacity of 825 MW,
- One thermal power plant on mazute (TEC Negotino) with installed capacity of 210MW.
- Eight hydro power plants (HE Kozjak, HE Globochica, HE Spilje, HE Tikvesh, HE Vrutok, HE Vrben, HE Raven, HE Sv. Petka) with overall installed capacity of 560,8 MW,
- One cogeneration plant for production of electricity and district heating, with installed capacity of 30 MW and
- One wind power plant with installed capacity of 36,8 MW.

In line with Article 20 paragraph (1) item 13 and 14 of the Statute of JSC ESM Skopje, the Management Board shall adopt decisions for investments and annual investment program, previously approved by the Supervisory board.

Starting from 18 November 2005, JSC ESM Skopje is holder of the license for performing the energy activity of electricity production, with an expiration date of 24 December 2049. Besides the license on electricity production, JSC ESM Skopje is holder of licenses on:

- district heating production,
- district heating distribution,
- district heating supply and
- electricity distribution.

JSC ESM Skopje was holder of the license for electricity supply of last resort, but with the Decision of the Energy Regulatory Commission UP1 no. 07-18/14 dated 27 June 2019, which entered into force on 1 July 2019, the license for electricity supply in last resort was terminated.

In line with the Law on Energy, JSC ESM Skopje shall not be regulated electricity producer.

III.1.4. NOMAGAS JSC Skopje

NOMAGAS JSC Skopje is holder of license for performing the energy activity of natural gas transmission („Official Gazette of the Republic of North Macedonia" no. 90/05, 135/06,45/17 and 4/23), with an expiration date to 25 October 2040.

In line with Article 204 paragraph (4) of the Law on Energy*, the Gas Transmission System Operator is not entitled to hold licenses and may not be included in the performance of activities of gas production, storage, gas market organization and management, gas trade or supply. In line with paragraph (6) of the

same Article, as a company performing one of the activities of production or supply, shall be considered the company performing one of the activities of electricity production or supply, whereas in line with paragraph (7), as a system operator shall be considered the electricity transmission system operator.

In line with Article 205 of the Law on Energy*, the Ministry shall be owner of the company that is gas transmission system operator. The Ministry is independent in adopting decisions for the election of a supervisory body, i.e., of an management body.

The members of the supervisory body, i.e., of the management body of the gas transmission system operator:

- Are independent in the procedure for adopting decisions in line with the law and
- Shall not be elected as members of a supervisory body, i.e., of a management body of companies that perform gas production or supply/ trade, or of companies that may directly or indirectly influence the decision-making of these companies

The management of NOMAGAS JSC Skopje is organized in a one instance system with a Management Board. The Management Board, within its authorizations determined by the law and the statute, has the widest scope of authorizations in the company management within the scope of operation of the company, and in acting in all circumstances in the name of the company, except for special authorizations provided to non-executive members of the board. The members of the Management Board shall be appointed by the Assembly of Shareholders of NOMAGAS JSC Skopje. The Management Board shall appoint one executive member from the members of the Management Board. The Management Board is composed of five members, four of which are non-executives and one is executive member. One of the non-executive members of the Management Board is independent member. The Management Board shall elect the President of the Board from the line of its non-executive members. The members of the Management Board shall be elected for a period of 6 (six) years.

The members of the Management Board of NOMAGAS JSC Skopje are the following:

- Nedim Rama - executive member and President of the Management Board;
- Hairis Buchi - non-executive member of the Management Board;
- Boshko Stefanovski - non-executive member of the Management Board;
- Krste Miladinov - executive member and President of the Management Board; and
- Ognen Dimitrov - executive member and non-executive member in the Management Board.

Krste Miladinov is elected for President of the Management Board of NOMAGAS JSC Skopje, Nedim Rama was elected for executive member of the Management Board of NOMAGAS JSC Skopje - and bears the title Executive Director.

NOMAGAS JSC Skopje, as natural gas transmission system operator, maintains, upgrades, and expands the transmission grid, manages with the pipeline system of the Republic of North Macedonia and provides connection of the transmission system with the transmission systems of neighboring countries, aiming to provide security of supply to natural gas consumers.

The Natural Gas Transmission System of the Republic of North Macedonia starts with the interconnection point Kyustendil - Zidilovo of the Macedonian and Bulgarian natural gas transmission system

and is located in the eastern part of the border at Deve Bair and expands in the direction of the region of Kriva Palanka, Kratovo, Kumanovo, and Skopje. The main metering station (MMP) is in Zidilovo-Kriva Palanka. The metering system of the transceiver station is composed of 3 metering lines (whereby 2 are operating, and one is reserve) and has a computer system and necessary equipment for determining gas quantities and quality. For metering gas quantity, each metering line is equipped with two independent electronic metering systems: Ultrasound measuring (commercial) and flow measuring orifice (controlling). The capacity of metering lines is 180.000 Nm³/h. The designed capacity of the natural gas transmission system is 800 million Nm³ annually, with the possibility of increase up to 1.200 million Nm³. The magistral gas pipeline and distribution pipelines are projected to operate under pressure of 54 bar. The current operating pressure is 40 bar, and the annual transmitted amount of natural gas in the last 3 (three) years is an average of 350 million Nm³. The largest consumers are the cogeneration plant for electricity and district heating production - JSC TE-TO Skopje and industrial consumers in the City of Skopje.

III.2. Technical characteristics of the Electricity Transmission System Operator

JSC MEPSO Skopje, as the electricity transmission system operator, maintains, upgrades and expands the transmission grid, manages the power system of the Republic of North Macedonia and ensures connection of the transmission system with the transmission systems of neighboring countries, aiming to provide secure supply of the electricity consumers.

The Ministry owns JSC MEPSO Skopje, whereas JSC MEPSO Skopje owns the electricity transmission grid composed of transformer stations, line infrastructural facilities- transmission lines, plants, facilities and assets which serve the purpose of performing the energy activity of electricity transmission and management of the electricity transmission system.

The main pillar of the electricity transmission grid in the Republic of North Macedonia are the 400 kV transmission lines. These transmission lines form a 400 kV ring that connects the largest consumption located in the north part, where the largest production facilities are located, as well as the south part of the Republic of North Macedonia, where the consumption is significantly smaller. Simultaneously, the 400 kV transmission lines serve as an interconnection with the neighboring power systems.

The Electricity Transmission System of the Republic of North Macedonia is connected to four neighboring countries, through five 400 kV interconnections, such as:

- In the north with Republic of Kosovo, 400 kV transmission line, TS Skopje 5 - TS Ferizaj 2,
- In the north with Republic of Serbia, 400 kV transmission line, TS Shtip - TS Vranje 4,
- In the east with Republic of Bulgaria, 400 kV transmission line, TS Shtip - TS Mogila and
- In the south with Republic of Greece, two 400 kV transmission lines TS Bitola 2 - TS Meliti and TS Dubrovo – TC Thessaloniki.

Also, there are two electricity transmission interconnections in the north with the Republic of Kosovo at 220 kV voltage level, TS Skopje 1 - TS Kosovo A, however these connections are not under voltage, though they exist. These electricity transmission interconnections are being stored in order to maintain the air corridor, in case of future projects that would be of regional interest envisaging a new 400 kV connection with the Republic of Kosovo.

Also, there is another 150 kV connection with the Republic of Greece, which is 23 km long, but it is not being used.

With the electricity market development, as well as with the unification in one regional electricity market, the interconnections receive a role of main energy corridors through which a significant number of electricity transactions are being performed daily.

The 110 kV electricity transmission network is the most diversified and the most developed one and it connects large hydro and thermal power plants, as well as all larger populated areas, as well as industrial centers. The interconnection of the 400 kV and 110 kV transmission grid is achieved by the five Transformer stations: TS Skopje 4, TS Skopje 5, TS Bitola 2, TS Dubrovo, and TS Stip.

JSC MEPSO Skopje, as electricity transmission system operator, functions at 400kV and 110kV voltage level, while the transmission lines that function at 220 kV and 150 kV voltage level are being stored for future projects envisaged in the future development plans.

JSC MEPSO Skopje, disposes of total length of the electricity transmission grid of 2.311,3 km, whereby 577,06 km are at 400 kV, 38 km at 220 kV, 23 km at 150 kV, 1.665,44 km at 110 kV and 7,8 km at 35 kV voltage level. Also, JSC MEPSO Skopje has 7.181 poles, whereby 5.923 are steel single system, 893 are steel double system and 365 are of concrete.

At the 400 kV voltage level there are 1.553 steel single-system poles, at 220 kV voltage level there are 94 steel single-system poles, at 150 steel single system poles there are 72 steel single system poles, at 110 kV voltage level there are 4.179 steel single system poles, 893 steel double system poles and 346 concrete poles, and at 35 kV voltage level there are 25 steel single system poles and 19 concrete poles.

The transmission lines, 113 in total, are owned and disposed of by JSC MEPSO Skopje. In the Real Estate Cadaster Agency of the Republic of North Macedonia, 80 transmission lines have been entered into record sheets for infrastructure facilities owned by JSC MEPSO Skopje. For 33 out of 113 of the transmission lines, which are also owned and disposed of by JSC MEPSO Skopje, the procedure for ownership rights registering is still underway in the Real Estate Cadaster Agency of the Republic of North Macedonia, in compliance with the Framework Agreement no. 03-51/2 from 7.02.2017.

1. Table overview of 400 kV transmission lines

no.	No. Of tr. line	Name of tr. line	Length (km)	Ownership	Record sheet
1	001	TS Bitola 2 - TE Bitola 2	0.75	JSC MEPSO Skopje	607
2	002	TS Bitola 2- TE Bitola 2	0.75	JSC MEPSO Skopje	609
3	420/1	TS Skopje 5 - Kosovo B	22.42	JSC MEPSO Skopje	700
4	420/2	TS Skopje 5 - TS Skopje 4	20.13	JSC MEPSO Skopje	673
5	421	TS Skopje 4 - TS Dubrovo	82.40	JSC MEPSO Skopje	4701
6	422	TS Dubrovo - Greek border	54.70	JSC MEPSO Skopje	662
7	446	TS Bitola 2 - TS Dubrovo	83.40	JSC MEPSO Skopje	4762
8	447	TS Bitola 2 - TS Skopje 4	113.48	JSC MEPSO Skopje	845
9	448	TS Dubrovo - TS Stip	40.70	JSC MEPSO Skopje	875
10	450	TS Bitola 2 - Greek border	17.30	JSC MEPSO Skopje	1078
11	449	TS Shtip - Bulgarian border	71.20	JSC MEPSO Skopje	Ongoing
12	423	TS Shtip - Serbian border	69.83	JSC MEPSO Skopje	Ongoing

Total	577.06		
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2. Table overview of 220 kV transmission lines

no.	No. Of tr. line	Name of tr. line	Length (km)	Ownership	Record sheet
1	212	TS Skopje 1 - TEKosovo A	19	JSC MEPSO Skopje	601
2	215	TS Skopje 1 - TE Kosovo B	19	JSC MEPSO Skopje	599
Total			38		

3. Table overview of 150 kV transmission lines

no.	No. Of tr. line	Name of tr. line	Length (km)	Ownership	Record sheet
1	150	TS Bitola 1 - Greek border	23	JSC MEPSO Skopje	663
Total			23		

4. Table overview of 110 kV transmission lines

no.	No. Of tr. line	Name of tr. line	Length (km)	Ownership	Record sheet
1	101/1	TS Skopje 1– TS Skopje 4	17.80	JSC MEPSO Skopje	677
2	101/2	TS Skopje 4– TS Petrovec	11.45	JSC MEPSO Skopje	519
3	101/3	TS Petrovec - TS Veles	26.40	JSC MEPSO Skopje	873
4	102	TS Skopje 1– TS Gen. Jankovik	17.60	JSC MEPSO Skopje	Ongoing
5	103/1	TS Jagunovce - TS Tearce	3.60	JSC MEPSO Skopje	Ongoing
6	103/2	TS Tearce - TS Tetovo 1	21.30	JSC MEPSO Skopje	Ongoing
7	103/2B	TS Tetovo - TS Tearce	21.03	JSC MEPSO Skopje	1829
8	104	TS Skopje 1– TS Jegunovce	31.23	JSC MEPSO Skopje	Ongoing
9	105/1	TS Veles - TS Ovche Pole	20.90	JSC MEPSO Skopje	404
10	105/2	TS Ovche Pole - TS Bogoslovec	7.10	JSC MEPSO Skopje	1274
11	105/3	TS Bogoslovec – TS Stip	20.05	JSC MEPSO Skopje	1274
12	106/2	TS Oslomej - TS Kichevo	15.00	JSC MEPSO Skopje	514
13	107/1	TS Kichevo - TS Sopotnica	33.30	JSC MEPSO Skopje	835
14	107/2	TS Sopotnica – TS Bitola 1	30.70	JSC MEPSO Skopje	511
15	108/1A	TS Gostivar - TS Jugohrom	36.90	JSC MEPSO Skopje	Ongoing
16	108/1B	TS Jugohrom – TS Skopje 3	41.50	JSC MEPSO Skopje	Ongoing
17	108/2	TS Skopje 3– TS Gj. Petrov	20.80	JSC MEPSO Skopje	675
18	108/3	TS Gj. Petrov – TS Skopje 1	11.10	JSC MEPSO Skopje	593
19	109	TS Bitola 1– TS Prilep 1	33.70	JSC MEPSO Skopje	834
20	110/1	TS Skopje 4– TS Skopje 2	10.00	JSC MEPSO Skopje	Ongoing
21	110/3	TS Skopje 4– TS TE-TO	5.60	JSC MEPSO Skopje	Ongoing
22	110/2	TS Skopje 1– TS TE-TO	10.40	JSC MEPSO Skopje	Ongoing
23	111	HEC Vrutok - HEC Spilje	45.50	JSC MEPSO Skopje	Ongoing
24	112	HEC Spilje - HEC Globochica	13.50	JSC MEPSO Skopje	Ongoing
25	113/1A	TS Veles - TS Veles 2	3.60	JSC MEPSO Skopje	997
26	113/1B	TS Veles 2 - TS Zrnovci	10.90	JSC MEPSO Skopje	Ongoing
27	113/2	TS Zrnovci - TS Kavadarci	26.20	JSC MEPSO Skopje	979
28	114/1	HE Tikvesh - TS IGM	7.50	JSC MEPSO Skopje	596
29	114/2	TS IGM - TS Kavadarci	0.60	JSC MEPSO Skopje	596

30	115	TS Shtip - TS Kochani	27.80	JSC MEPSO Skopje	497
31	116/1	TS Shtip - TS Neokazi	22.70	JSC MEPSO Skopje	1273
32	116/2	TS Neokazi - TS Probistip	5.60	JSC MEPSO Skopje	1273
33	117/1	TS Kavadarci - TS Dubrovo	13.30	JSC MEPSO Skopje	Ongoing
34	117/2	TS Dubrovo- TS Valandovo	39.30	JSC MEPSO Skopje	Ongoing
35	118	TS Valandovo – TS Strumica 2	15.60	JSC MEPSO Skopje	975
36	119/1	TS Skopje 1 – TS Kumanovo 1	25.70	JSC MEPSO Skopje	964
37	119/2	TS Kumanovo - TS Kratovo	33.50	JSC MEPSO Skopje	4980
38	119/3	TS Kratovo - TS Probistip	17.50	JSC MEPSO Skopje	1886
39	120/1	HEC Globochica - TS Struga	32.40	JSC MEPSO Skopje	553
40	120/2	TS Struga – TS Ohrid 1	26.30	JSC MEPSO Skopje	833
41	121/1	TS Ohrid 2 - TS Resen	35.20	JSC MEPSO Skopje	836
42	121/2	TS Resen – TS Bitola 4	26.20	JSC MEPSO Skopje	516
43	121/3	TS Bitola 4– TS Bitola 2	6.20	JSC MEPSO Skopje	725
44	122	TS Kavadarci– TS Prilep 1	44.00	JSC MEPSO Skopje	Ongoing
45	125	TS Skopje 1 – TS Miladinovci 1	17.00	JSC MEPSO Skopje	520
46	126	TS Skopje 1 – TS Miladinovci 2	17.00	JSC MEPSO Skopje	332
47	127	TS Veles - TS Topolnica 1	2.30	JSC MEPSO Skopje	980
48	128	TS Veles - TS Topolnica 2	2.40	JSC MEPSO Skopje	Ongoing
49	130/1	TS Skopje 3– TS Skopje 4	15.60	JSC MEPSO Skopje	448
50	130/2	TS Skopje 4– TS Skopje 2	4.30	JSC MEPSO Skopje	447
51	131/1	TS Stip – TS Stip 2	5.40	JSC MEPSO Skopje	1521
52	131/2	TS Shtip - TS Buchim	21.80	JSC MEPSO Skopje	Ongoing
53	132/1	TS Buchim - TS Radovish	10.50	JSC MEPSO Skopje	4864
54	132/2	TS Radovish - TS Strumica 1	29.80	JSC MEPSO Skopje	851
55	136 AB	TS Bitola 1– TS Bitola 2	13.00	JSC MEPSO Skopje	721
56	137	TS Dubrovo– TS Buchim	32.00	JSC MEPSO Skopje	Ongoing
57	140	TS Strumica 1 - TS Sushica	16.90	JSC MEPSO Skopje	1891
58	141	TS Sushica - Bulg. Border 11, 10	11.10	JSC MEPSO Skopje	1893
59	142	TS Skopje 4– EVP Drachevo	1.11	JSC MEPSO Skopje	590
60	143/1	TS Samokov - TS Kozjak	24.90	JSC MEPSO Skopje	2154
61	143/2	TS kozjak - TS Sv. Petka	10.40	JSC MEPSO Skopje	2227
62	143/3	TS Sv. Petka – TS Skopje 3	18.90	JSC MEPSO Skopje	1513
63	144	TS Oslomej - TS Samokov	17.50	JSC MEPSO Skopje	1956
64	145/1	TS Skopje 4 – TS Bunardzik	12.00	JSC MEPSO Skopje	Ongoing
65	145/2	TS Bunardzik - TS Rafinerija	7.40	JSC MEPSO Skopje	Ongoing
66	149 A	TS Bitola 2 - TS Suvodol	3.10	JSC MEPSO Skopje	725
67	149 B	Connected Tran. Line for TS Brod Negotino	10.20	JSC MEPSO Skopje	Ongoing
68	151	TS Bitola 2– TS Bitola 1	0.90	JSC MEPSO Skopje	608
69	152	TS Bitola 2– TS Bitola 1	0.90	JSC MEPSO Skopje	606
70	153	TS Bitola 2– TE Bitola 2	0.90	JSC MEPSO Skopje	1077
71	159 AB	TS Kumanovo 1 – TS Kumanovo 2	4.50	JSC MEPSO Skopje	1852
72	162	TS Veles - TS Veles 1	3.00	JSC MEPSO Skopje	2395
73	163 AB	TS Dubrovo– TS Feni	19.10	JSC MEPSO Skopje	Ongoing
74	164 B	TS Bitola 2– TS Bitola 3	12.20	JSC MEPSO Skopje	722
75	164/1A	TS Bitola 2– TS Bitola 4	25.00	JSC MEPSO Skopje	1144

76	164/2A	TS Bitola 4– TS Bitola 3	14.50	JSC MEPSO Skopje	1142
77	165 A	HEC Tikvesh– TS Feni	4.30	JSC MEPSO Skopje	Ongoing
78	170	TS M. Kamenica - TS Drachevo	18.50	JSC MEPSO Skopje	1866
79	171	TS Kochani - TS M. Kamenica	23.00	JSC MEPSO Skopje	Ongoing
80	172	TS K. Palanka - TS Kriva Palanka	20.30	JSC MEPSO Skopje	5022
81	173	TS Radovish - TS Berovo	38.20	JSC MEPSO Skopje	4938
82	176	TS Strumica 1 – TS Strumica 2	19.00	JSC MEPSO Skopje	Ongoing
83	177	TS Kumanovo - TS Rafinerija	17.00	JSC MEPSO Skopje	4978
84	178 AB	TS Valandovo – TS Miletkovo	6.30	JSC MEPSO Skopje	4330
85	180	TS K. Palanka - Bulg. border	12.80	JSC MEPSO Skopje	Ongoing
86	181	TS Bitola 2– TE Bitola 2	0.90	JSC MEPSO Skopje	1079
87	183	TS Ohrid 1 – TS Ohrid 2	3.50	JSC MEPSO Skopje	3325
88	184	TS Berovo - TS Delchevo	33.53	JSC MEPSO Skopje	4939
89	188	TS Oslomej - TS Gostivar	36.52	JSC MEPSO Skopje	4394
90	189	TS Veles 1 - TS Veles 2	1.40	JSC MEPSO Skopje	2433
91	190	HEC Vrutok - TS Polog	15.30	JSC MEPSO Skopje	1439
92	191	TS Polog - TS Tetovo 2	20.30	JSC MEPSO Skopje	Ongoing
93	192	TS Tetovo 1 - TS Tetovo 2	1.93	JSC MEPSO Skopje	Ongoing
94	193	HEC Vrutok - TS Tetovo 1	32.14	JSC MEPSO Skopje	Ongoing
95	194	HEC Vrutok - TS Gostivar	8.30	JSC MEPSO Skopje	Ongoing
96	198	HEC Vrutok - TS Skopje 1	65.20	JSC MEPSO Skopje	1888
Total			1656.64		

5. Table overview of 35 kV transmission lines

no.	No. Of tr. line	Name of tr. line	Length (km)	Ownership	Record sheet
1	35	TS Samokov - TS Samokov	5.30	JSC MEPSO Skopje	3268
2	37	TS Skopje 2– TE Skopje 4	2.50	JSC MEPSO Skopje	Ongoing
Total			7.80		

6. Table overview of cable line on 110 kV

no.	No. Of tr. line	Name of tr. line	Length (km)	Ownership	Record sheet
1	164/1A	TS Bitola 2– TS Bitola 4	0.6	JSC MEPSO Skopje	1144
2	164/2A	TS Bitola 4– TS Bitola 3	0.6	JSC MEPSO Skopje	1142
3	110/2	TS Skopje 1– TS TE-TO	3.8	JSC MEPSO Skopje	1871
4	110/3	TS Skopje 4– TS TE-TO	3.8	JSC MEPSO	1967
Total			8.8		

The transformer stations with transmission ratio of 400/110 kV/kV, which are five in total, are owned and disposed of by JSC MEPSO Skopje. The transformer stations with transmission ratio of 110/xx kV/kV, which are 13 in total, are owned and disposed of by JSC MEPSO Skopje.

Three of the transformer stations, owned and disposed of by JSC MEPSO Skopje, are still under procedure for ownership right registration in the Real Estate Cadaster Agency of the Republic of North Macedonia.

7. Table overview of TS

No.	Name of tr. line	Voltage level	Ownership	Certificate of property
1	TS Skopje 4	400/100	JSC MEPSO Skopje	4770
2	TS Skopje 5	400/100	JSC MEPSO Skopje	1040445
3	TS Shtip	400/100	JSC MEPSO Skopje	57, 91135, 193
4	TS Bitola 2	400/100	JSC MEPSO Skopje	273
5	TS Dubrovo	400/100	JSC MEPSO Skopje	125
6	TS Skopje 1	110/xx	JSC MEPSO Skopje	1040445
7	TS Kavadarci	110/xx	JSC MEPSO Skopje	1642
8	TS Basino Selo	110/xx	JSC MEPSO Skopje	50688
9	TS Samokov	110/xx	JSC MEPSO Skopje	445
10	TS Skopje 2	110/xx	JSC MEPSO Skopje	105195
			Ongoing	105194
11	TS Petrovec	110/xx	JSC MEPSO Skopje	990
12	TS TE- TO	110/xx	JSC MEPSO Skopje	9106
13	TS Tearce	110/xx	JSC MEPSO Skopje/	1017
14	TS Jugohrom	110/xx	JSC MEPSO	598, 596
15	TS Buchim	110/xx	Ongoing	103
16	TS Skopje 3	110/xx	Ongoing	12194
17	TS Shtip 1	110/xx	JSC MEPSO Skopje	91135

Several production capacities in the Republic of North Macedonia have been connected to the electricity transmission grid. TEC Bitola 1, 2, and 3 owned by JSC ESM Skopje, is connected at 400 kV voltage level of the electricity transmission grid. Whereas at 110 kV voltage level of the electricity transmission grid TEC Oslomej, TEC Negotino, and six of the following large hydro power plants are connected: HEC Vrutok, HEC Sveta Petka, HEC Kozjak, HEC Spinje, HEC Globochica, and HEC Tikves (all owned by JSC ESM Skopje). Also, WPP Bogdanci (owned by JSC ESM SKOPJE), the Wind Park Demir Kapija, Wind Park Bogoslovec (private investments), and the co- generation power plant TE-TO (privately owned) have been connected to the electricity transmission grid at 110 kV voltage level. Also, privately owned Solar Power Plants have been connected, such as SPP Novaci, SPP Oslomej 3A and SPP Oslomej 3B, and SPP IGM, and SPP OKTA.

The overall capacity of thermal power plants connected to the electricity transmission grid is 1.035 MW, for hydro power plants is 574,6 MW, for cogeneration plants 227 MW, for wind power plants is 166,4 MW, and for solar power plants is 156,9 MW.

Large major consumers: Golden Eagle JSC Kavadarci, OKTA Oil Refinery JSC Skopje, Concrete Product Supplier USJE JSC Skopje, Buchim DOOEL Radovish, Zeleznici and Kranfild are also connected to the electricity transmission grid. Also, the two electricity distribution systems, Elektrodistribucija DOOEL and JSC ESM Skopje - Energetika subsidiary, are connected to the electricity transmission grid.

A capital project which is enormously significant for JSC MEPSO Skopje is the connection of the electricity transmission system of the Republic of North Macedonia to the electricity transmission system of the Republic of Albania. The Energy Community has adopted the project for construction of a 400 kV powerline Bitola- Elbasan, which is especially significant for the Republic of North Macedonia. This project

will conclude the construction of the Corridor Eight which will connect the Republic of Bulgaria, Republic of North Macedonia, Republic of Albania, Republic of Montenegro and the Republic of Italy. This project would enable regional connection of the electricity market. The project is in the phase of realization and is anticipated to be finalized by 2028. The project foresees construction of a 400 kV transmission line from Bitola to the border of the Republic of North Macedonia with a total length of 92 km, as well as construction of 400 kV transformer stations in Bitola and Ohrid.

In the next period, development and upgrade of the grid is expected, by constructing 400/110 kV transformer stations, construction of new lines and strengthening the existing 110 kV lines, as well as modernization and digitalization of the system and respective processes.

In line with Article 19 paragraph (1) item 6 and paragraph (2) item 7 of the Statute of JSC MEPSO Skopje, the Management Board shall adopt decisions for investments, previously approved by the supervisory board.

III.2.1. National Dispatch Center

SCADA/EMS system: The SCADA/EMS system is competent for the functioning of the technical system for control and management with the power system of the Republic of North Macedonia. The basis of the management of the electricity transmission grid is data acquisition, processing and presentation and their management with the surveillance, management and data acquisition system- SCADA/EMS system. The Spectrum Power 4.7 System has been supplied from Siemens AG Austria and is comprised of hardware and software platform installed in 2014.

This system is based on acquisition of data and metering from transformer stations and production capacities connected to the network of JSC MEPSO Skopje. The hardware platform is composed of redundant servers and operative stations and archiving system that enable unobstructed and constant operation of the SCADA/EMS system. JSC MEPSO Skopje disposes of two such systems, one of which is the main one and is situated in the National Dispatch Center in Skopje and the other one is in a remote location.

The computer platform is based on IBM x3650-M4 servers with SOLARIS 10 (UNIX) operative system (all servers, operative stations, except the Market Operator and Human Machine Interface which have Windows Server 2008 R2 Standard OS).

The transformer stations use the following tele-controlled protocols to communicate with the final stations:

- IEC 60870-5-101 which provides possibility for communication with RTU through series of leased phone lines or own grid,
- IEC 60870-6 also known as TASE.2 or ICCP – facility-oriented protocol for communication in real time between the management systems such as the other control centers, electric power plants and Electronic Highway of ENTS O-E. That enables communication, i.e. real time data exchange, management of switches and disconnectors of the hydro power plants and lines, as well as inflow,

- stopping and provision of the necessary power used for the operation of the aggregates in the power plants (any operation regiment in AGC or monitoring of the daily "traffic"),
- IEC 60870-5-104 which provides opportunity for communication with RTU and use of the TCP/IP as main protocol.

Electronic Highway system is used for communication with the control centers from ENTSO-E and uses the IEC 60870-6 protocol (TASE.2 or ICCP).

Electronic Highway: is a private grid of the European electricity transmission operators (completely separate from the internet) enabling high level of reliable exchange of real-time and non- real-time information and insight into the current conditions of the larger energy facilities from the neighboring countries, as well as direct communication of the transmission operators through the respective applications offered by this system.

The ENTSO-E system, referred to as Entso-E Awareness System (EAS) is also connected through the infrastructure of Electronic Highway, and its purpose is to improve the observability, cooperation and exchange of data among the neighboring ENTSO-E control centers in order to prevent, coordinate and assist in case of possible energy incident, as well as the possibility to assist during reestablishment of the energy systems.

The OPDE platform - Operational planning data environment serves for operational data exchange outside the real time, as well as market-oriented data (CGM data) and it functions through the infrastructure of the private network of ENTS O-E referred to as ATOM.

The visual display of graphic information generated from the calculating configuration of the technical system for national dispatch center management of JSC MEPSO Skopje is realized through the rear projection system BARCO connected to Siemens Spectrum Power through the Local Area Network.

JSC MEPSO Skopje disposes of a System for Remote, Automatic Acquisition and Processing of Data from Measuring Devices, "Automated Meter Reading" (AMR) and "Meter Data Management" (MDM) a type of IDSpecto of the Gorlitz manufacturer from Germany, implemented in December 2013 and expanded and upgraded in 2018.

IDSpecto system has the following functions:

- remote reading (acquisition) of data from the measuring devices according to previously given schedule as well as irregular collection of requests of the users and their storage in the MS SQL base.
- monitoring over the acquisition process of the metering devices, accuracy check, data validation and substitution,
- data processing, mathematical calculations and calculations of data on load curves and registers, comparative analysis and calculations through previously given configured formulas,
- storage of historic data from the measuring devices (minimum of 10 years),
- preparation of monthly invoices for electricity transmission,
- distribution of data in standardized formats (XML, XSL, XSLX,) for the needs of the operator of the electricity market, JSC ELEM SKOPJE, Elektrodistribucija DOOEL Skopje, NDC- MEPSO, direct

consumers, electricity market participants, as well as exchange of data with other information systems (SCADA/EMS/MMS).

- web application of the AMR/MDM system that enables overview of load curves and registers in a table graphic display, as well as their download for the transmission grid users.

JSC MEPSO Skopje, in addition to the transmission lines, diversified power plants and transformer stations, also disposes of a National Dispatch Center that serves to manage the energy flows in the electricity transmission system in all operation regiments. In this manner JSC MEPSO fully disposes of equipment for unobstructed performance of the activity of electricity transmission.

III.2.2. Data Protection Measures

JSC MEPSO Skopje, in the certification procedure, as evidence on the measures taken regarding the data protection, submitted the by-laws, i.e. rules, decisions and guidelines applied in order to prevent disclosure of confidential and other commercially sensitive information, as well as data protection.

According to Chapter 2.5 item 6) of the Compliance Programme of JSC MEPSO Skopje, regarding the obligations that emerge from the separation of ownership, JSC MEPSO Skopje guarantees the confidentiality of the business data and information and disabled the misuse of the business secrets and information received during the performance of the activity of electricity transmission and management with the electricity transmission system in order to acquire business advantage in compliance with the Law on Access to Information of Public Character and the Rulebook on Business Secret of JSC MEPSO Skopje.

Also, the Compliance Officer shall be obliged to monitor the implementation of the Compliance Programme of JSC MEPSO Skopje, the purpose of which is to ensure transparent, objective and non-discriminatory actions by JSC MEPSO Skopje toward the users of the electricity transmission system, i.e. the independence of the electricity transmission system operator avoiding conflict of interest.

According to Article 6 paragraph (2) item 2) of the Rulebook on the Operation, Authorizations, Rights and Obligations of the Compliance Officer (hereinafter: Rulebook), they shall monitor and control the provision of conditions for confidentiality of the business data of the users of the electricity transmission system, as well as the confidentiality of the business data during coordination and cooperation of JSC MEPSO Skopje with other electricity system operators, in accordance with law, the Business Secret Rulebook of JSC MEPSO Skopje and other provisions.

According to Article 7 paragraph (1) item 10) from the Rulebook, the Compliance Officer, within their authorizations determined with the Energy Law, the Statute of JSC MEPSO Skopje and the Rulebook, shall be obliged to ensure safe, responsible and appropriate data management considering the confidentiality of the data, as well as protection of the personal data according to the positive legal provisions and bylaws.

During the operation, according to Article 12 paragraph (6) from the Rulebook, the Compliance Officer shall be obliged to store the received data and information in a careful and confidential manner and must not use them contrary to the interests of JSC MEPSO Skopje and the interests of the electricity transmission system users, i.e. must not use them for personal needs or for the needs of third parties.

Also, the Energy Regulatory Commission, according to the Rulebook on Monitoring of the Functioning of Energy Markets, shall continuously monitor the operation of JSC MEPSO Skopje through an aggregate of

activities which refer to the collection, processing and analysis of data and information regarding the performance of the energy activity, submitted monthly to the Energy Regulatory Commission.

IV. ASSESSMENT OF THE COMPLIANCE WITH THE TERMS OF CERTIFICATION

The unbundling of the electricity transmission system and its certification, i.e. appointment of an electricity transmission system operator, implies fulfillment of the conditions envisaged in the Directive (EU) 2019/944 of the European Parliament and the Council from 5 June 2019, on the general rules of the internal electricity market, supplementing Directive 2012/27/EU (hereinafter: Directive 2019/944/EU), respectively transposed in the Energy Law*. According to Directive 2019/944/EU, the unbundling may be conducted through three possible separation models- separation of ownership, independent system operator and independent transmission operator. The Republic of North Macedonia, with Article 133, 134, 137, 138, 139, and 140 from the Energy Law transposed the model of ownership unbundling of the electricity transmission system operator, i.e. based on the manner determined with the provisions from Article 40, 43, 52, and 53 of Directive 2019/944/EU.

IV.1. Ownership of electricity transmission grid

In line with Article 308 paragraph (1) of the Energy Law*, in the session held on 24 July 2025, the Government of the Republic of North Macedonia adopted the Decision no.50-6306/18 for transferring ownership structure through the transfer of shares of the Electricity Transmission System Operator of the Republic of North Macedonia, Joint-Stock Company for Electricity Transmission and Power System Management, under state ownership Skopje, from the Ministry of Transport to the Ministry of Energy, Mining, and Mineral Resources. This decision was adopted in line with the provision of the Constitution and the laws of the Republic of North Macedonia, whereby ownership and management with state property is regulated by state authorities.

In line with Article 133 of the Energy Law*, and the findings in Part III.1. (JSC MEPSO Skopje and other state- owned or state-controlled performers of energy activities) and part III.2. (Technical characteristics of the electricity transmission system) from the justification of this Decision, the Ministry of Energy, Mining and Mineral Resources is the owner of JSC MEPSO Skopje, whereas JSC MEPSO Skopje owns the electricity transmission grid composed of transformer stations, line infrastructural facilities- transmission lines, plants, facilities and assets which serve the purpose of performing the energy activity of electricity transmission and management of the electricity transmission system.

IV.2. Performing the activity of electricity transmission

In line with Article 133 of the Energy Law*, and the findings in Section III.1.1.5. (Licenses) and Section III.1.1.7. (Participation in regional and international associations and companies performing energy activities) from the justification of this Decision, JSC MEPSO Skopje is a license holder for performing the energy activity of electricity transmission and does not hold any licenses, nor is it involved in performing the energy activities of production, distribution, storage, supply or trade in electricity and organization and management of the electricity market.

Based on the insight into the systematization and qualification structure of employees, stated in section III.1.1.4. (Organizational structure) from the justification of this Decision, the Energy Regulatory Commission has determined that JSC MEPSO Skopje has a sufficient number of qualified employees who are professionally qualified to perform specific tasks in performing the regulated activity of electricity transmission, for which they possess specific authorizations and certificates issued by authorized institutions.

Based on an insight and analysis of the annual financial statements and audit reports for 2022, 2023 and 2024 and the Decisions for Approving Maximum Allowed Revenue for 2022, 2023 and 2024, Regulated Average Tariff and Tariffs for Calculation Elements for 2022, 2023 and 2024 and 2025 for performing the regulated energy activity of electricity transmission of JSC MEPSO Skopje, as stated in Section III.1.1.8. (Generation of revenues when performing regulated energy activity - electricity transmission) from the Justification of this Decision, the Energy Regulatory Commission has determined that JSC MEPSO Skopje meets the requirements for financial sustainability.

IV.3. Independence from performing other activities in the power sector

In line with Article 133 of the Energy Law, and the findings in Section III.1.1.5. (Licenses) and Part III.1.4 (Nomagas JSC Skopje) of the justification of this Decision, JSC MEPSO Skopje does not perform and is not involved in the performance of the activities of electricity production, distribution, storage, supply or trade, and organization and management of the electricity market and gas transmission, and Nomagas JSC Skopje as the gas transmission system operator has no influence or control over the decision-making in JSC MEPSO Skopje.

Considering that the Ministry of Energy, Mining and Mineral Resources is the owner of JSC MEPSO Skopje and Nomagas JSC Skopje, and the Government is the owner of entities that produce, distribute, trade and supply electricity, when adopting this Decision before the Energy Regulatory Commission, shall justify the following;

IV.3.1. Responsibilities of the Ministries before the Government

The Government and each of its members (ministers) are accountable to the Assembly of the Republic of North Macedonia. The Prime Minister shall propose to the Assembly to elect or dismiss a minister, but the constitutional right to elect or dismiss him or her lies exclusively with the Assembly. The Minister independently manages the ministry and is responsible for the work of the ministry. Ministries carry out the tasks within their competence independently and are accountable to the Government for their work. It is undeniable that the Government can give instructions and guidelines to a specific minister on how to implement the Government's guidelines and positions, and the Prime Minister can direct the actions of the Government as a whole and its members in accordance with the program determinations and guidelines it establishes. However, these instructions and guidelines for action refer to the performance of the functions of the state and the efficient exercise of the rights and duties of citizens and legal entities established with the Law on Organization and Operation of State Administration Bodies. The government cannot provide such guidance regarding the rights and obligations arising from ownership of companies in which it is not an owner. Such is the case with the Ministry of Energy, Mining and Mineral Resources, which is the owner of the trading company that is the operator of the electricity transmission system, and the rights and obligations arising

from the ownership are exercised by the Ministry of Energy, Mining and Mineral Resources in accordance with the Energy Law* and the Law on Trade Companies.

Namely, according to Article 89 of the Constitution of the Republic of North Macedonia, the Government consists of a president and ministers. According to Article 68 of the Constitution, the Assembly elects the Government. Article 92 of the Constitution establishes that the Government and each of its members are accountable to the Assembly for their work. Also, Article 4, paragraph (2) of the Law on the Government establishes that, within the framework of their rights and duties established by the Constitution and law, the Government and each of its members are accountable for their work to the Assembly.

The right of the Prime Minister to propose to the Assembly that a certain minister be dismissed is indisputable. However, one should take into account the provision of Article 94, paragraphs (2) and (3) of the Constitution, which stipulates that the President of the Government may propose to the Assembly the dismissal of a member of the Government, and the Assembly shall decide on the proposal for the dismissal of a member of the Government at the first following session. It follows from this constitutional provision that the President of the Government cannot dismiss a minister, but that this is the exclusive right of the Assembly.

According to Article 95 of the Constitution, the state administration consists of ministries and other administrative bodies and organizations established by law. According to Article 96 of the Constitution, the state administration bodies carry out the tasks within their competence independently on a basis and within the framework of the Constitution and the laws and are responsible for their work to the Government. The organization and work of the state administration bodies, as well as their competencies, are regulated by the Law on Organization and Work of the State Administration Bodies, which is adopted by a two-thirds majority of the total number of Members of the Assembly. Article 2 of the Law on Organization and Operation of State Administration Bodies establishes that state administration bodies, as part of the executive branch, are established in the areas and territories that are important for the performance of state functions and for the efficient exercise of the rights and duties of citizens and legal entities. In this sense, Article 13 of this Law establishes that the state administration bodies, acting within their competences in accordance with the Constitution, laws and ratified international agreements, shall:

- 1) implement the policy of implementing the laws and other regulations of the Assembly and the regulations of the Government,
- 2) be responsible for implementing the laws and other regulations,
- 3) implement the guidelines and positions of the Government on the work of the state administration bodies,
- 4) monitor and are responsible for the situation in the areas for which they were established,
- 5) take the initiative to resolve issues in the areas for which they were established,
- 6) decide on administrative matters,
- 7) supervise the legality of the acts and operations of trade companies, institutions and other legal entities when they are authorized to do so by law,
- 8) perform administrative and inspection supervision and other administrative matters when they are authorized to do so by law,
- 9) prepare proposals for laws whose authorized proposer is the Government,
- 10) prepare regulations adopted by the Government and
- 11) perform other tasks determined by the Constitution and law.

Article 20 a of the Law on Organization and Operation of State Administration Bodies regulates specific competencies of the Ministry of Energy, Mining and Mineral Resources in the areas and territories that are

important for performing the functions of the state and for the efficient exercise of the rights and duties of citizens and legal entities, and these are the matters that relate to:

- energy, energy policy and development planning in the field of electricity, natural gas, oil and oil derivatives, thermal energy and thermal waters, as well as other types of energy and their exploitation;
- Electricity supply;
- the implementation of procedures for election and appointment of management, governance and supervisory bodies in legal entities in the field of energy;
- strategy and policy for energy security;
- rational use of energy and energy efficiency, renewable energy sources;
- coordination of work and implementation of energy investments;
- mining, strategy and policy for the development of mining;
- exploitation of mineral resources and geological resources;
- geological exploration and research related to the exploitation of mineral resources;
- the development of a program for research work in the field of basic geological research related to the sustainable use of resources;
- supervision within its competence and
- performs other tasks determined by law.

Paragraph (2) of the same Article establishes that the Ministry of Energy, Mining and Mineral Resources includes a Bureau of Metrology, which has the status of a legal entity.

Article 47 of the Law on Organization and Work of State Administration Bodies establishes that the Minister manages the work of the Ministry. In this sense, Article 49 of the same law establishes that the Minister represents the Ministry, organizes and ensures the legal and efficient performance of its affairs and tasks; adopts regulations and other acts for which he is authorized and undertakes other measures within the competence of the Ministry in accordance with the law. The responsibility of the minister for independently managing the ministry for which he/she has been elected is also established in Article 13 of the Law on Government, according to which: "the minister independently manages the ministry for which he/she has been elected, monitors it and is responsible for the implementation of laws and other regulations."

Article 27 of the Law on the Government establishes that the Government establishes guidelines and positions for the implementation of laws and other regulations, which determine the manner of work of the ministries in the implementation of laws and other regulations, determines deadlines for the adoption of acts for which these bodies are authorized, and for submitting reports on individual issues, the manner of cooperation with other state bodies is determined, as well as other issues that are of importance for the performance of the functions of these bodies. For this purpose, Article 28 of the same law provides the Government with the opportunity to issue instructions and guidelines to a specific minister on how to implement the Government's guidelines and positions.

According to Article 6 of the Law on the Government, in order to exercise its competence, the Government adopts an annual work program. Article 16, paragraph (4) of the Rules of Procedure of the Government establishes that the annual work program incorporates the strategic priorities for the operationalization of the Program that the Prime Minister proposes when electing the Government.

Furthermore, Article 11, paragraph (2) of the Law on the Government establishes that the Prime Minister directs the actions of the Government as a whole and its members in accordance with the programmatic determinations and guidelines that it establishes.

From the above-mentioned provisions of the Constitution, as well as the Law on the Government and the Law on the Organization and Work of the Bodies of State Administration, including the Rules of Procedure of the Government, it can be concluded that they regulate the work of the Government and the bodies of state administration and their mutual relations from the aspect of their functions defined in the domain of public law. The competencies, i.e. the authorizations of the Ministry of Energy, Mining and Mineral Resources of JSC MEPSO Skopje and the operations of this company in general fall within the domain of private law. This means that when exercising the function of sole shareholder in JSC MEPSO Skopje over the Ministry of Energy, Mining and Mineral Resources, the above-mentioned constitutional and legal provisions do not apply, but rather the provisions of the Energy Law and the Law on Trade Companies apply.

It should also be borne in mind that although, pursuant to Article 8, item 6) of the Law on the Government (*lex generalis*), the Government decides on the disposal and use of state capital in accordance with the law, Article 134, paragraph (1) of the Energy Law (*lex specialis*) establishes that the Ministry of Energy, Mining and Mineral Resources is owner of that company, i.e., that the above-mentioned ministry shall decide on the state capital of this company. Hence, the Government does not have the right to decide, nor to give instructions and guidelines to the ministry regarding the disposal and use of state capital in JSC MEPSO Skopje, for reasons that would be contrary to the Energy Law. In this sense, the rights and obligations of the Ministry of Energy, Mining and Mineral Resources as the shareholders' assembly in AD MEPSO Skopje, regulated by the Law on Trade Companies and the Statute of AD MEPSO Skopje, do not fall within the rights, obligations and competencies of this ministry set out in Article 27 of the Law on Organization and Work of State Administration Bodies, i.e. they are not of significance for the performance of the functions of the state and for the efficient exercise of the rights and duties of citizens and legal entities.

The basis for this approach stems from Article 134 of the Energy Law, which clearly establishes the independence of the Ministry of Energy, Mining and Mineral Resources as the owner of JSC MEPSO Skopje. Namely, this provision unequivocally establishes that:

- 1) The Ministry is independent in adopting decisions for the election of a supervisory body, i.e., of a management body of JSC MEPSO Skopje.
- 2) The members of the supervisory body, i.e., of the management body of JSC ESM Skopje:
 - Are independent in the procedure for adopting decisions in line with the law, and
 - Shall not be elected as members of a supervisory body, i.e., of a management body of companies that perform electricity production, storage, supply, or trade, or of companies that may directly or indirectly influence the decision-making of these companies

IV.3.2. The responsibility of ministries to inform the Government about the adopted acts that relate to the guidelines for the implementation of Government policies as well as the use of financial resources.

Ministers are obliged to inform the Government about the acts they adopt, which relate to the manner of exercising the constitutional rights of citizens, the Government's guidelines, the disposal of financial resources (expenses) and other significant issues within the scope of the ministry. In this sense, the Minister

of Energy, Mining and Mineral Resources is obliged to notify the Government only of the regulations and other acts he adopts that regulate in more detail the implementation of the laws under his jurisdiction, and that jurisdiction does not include the function of sole shareholder of JSC MEPSO Skopje. Also The Ministry of Energy, Mining and Mineral Resources, when exercising the function of the Assembly of Shareholders of JSC MEPSO Skopje, has no obligation to inform the Government about the disposal of financial resources (expenses), considering that the operations of JSC MEPSO Skopje are not financed by the Budget, and the revenues and expenses from its operations are not planned and are not included in the Budget. The Government establishes guidelines and positions for the implementation of laws and other regulations, which determine the manner of work of the ministries in the implementation of laws and other regulations. Considering that the Energy Law, which establishes the independence of the Ministry of Energy, Mining and Mineral Resources as the owner of JSC MEPSO Skopje, is *Lex specialis* in relation to the Law on Government, the Ministry of Energy, Mining and Mineral Resources is not obliged to submit reports to the Government regarding the operations of JSC MEPSO Skopje. According to Article 31 of the Law on Government, ministers are obliged to inform the Government about the acts they adopt which relate to the manner of exercising the constitutional rights of citizens, the guidelines of the Government, the disposal of financial resources (expenditures) and other significant issues within the scope of the ministry.

Article 55 of the Law on Organization and Work of State Administration Bodies stipulates that the Minister shall adopt rulebooks, orders, instructions, plans, programs, decisions and other types of acts for the implementation of laws and other regulations, when authorized to do so by law. This provision lists the acts adopted by the Minister, determines the purpose of those acts, and establishes that the Minister shall adopt these acts only if authorized to do so by law. In this sense, the Minister of Energy, Mining and Mineral Resources is obliged to notify the Government only of the regulations and other acts he adopts that regulate in more detail the execution of the laws that regulate his competence and functions, established in Article 20-a of the Law on Organization and Work of State Administration Bodies, which are of importance for the performance of the functions of the state and for the efficient exercise of the rights and duties of citizens and legal entities. Hence, the Minister of Energy, Mining and Mineral Resources does not have a legally established obligation to notify the Government of the acts it adopts in exercising the function of the shareholders' assembly that relate to the operations of JSC MEPSO Skopje. However, Article 383 of the Law on Trade Companies establishes the competence of the shareholders' meeting, as well as the acts it adopts and by which it decides only on issues related to the operation of the joint-stock company (amendment of the company's statute, election and recall of members of the supervisory board, approving the work of the supervisory and management boards, approving the annual accounts, financial statements and the annual report on the company's operations in the previous business year and deciding on the distribution of profits, appointment of an authorized auditor for the audit of the annual account and financial statements, termination of the company, etc.), and not for issues of importance for the performance of state functions and for the efficient exercise of the rights and duties of citizens and legal entities.

Regarding the obligation to report on the disposal of financial resources (expenditures), it is pointed out that according to the Law on Budgets, ministries, as bodies of the executive power at the central level, are budget users and their operations are financed from the central budget, as an integral part of the Budget of the Republic of Macedonia. Article 2 of the Law on Budget Execution, which is adopted for each year, establishes a duty for budget users (ministries) to use the financial resources determined in the Budget for their work, intended for the execution of works that are of importance for the performance of the functions of the state and for efficient exercise of the rights and duties of citizens and legal entities to use them purposefully, rationally, economically and efficiently. This provision also corresponds to Article 3 of the Law on Organization and Work of State Administration Bodies, which states that state administration bodies shall

exercise their powers determined by law on the basis of the principles of legality, accountability, efficiency, economy, transparency, equality and predictability. Hence, taking into account the provision of Article 96 of the Constitution, according to which the state administration bodies carry out the tasks within their competence independently on the basis and within the framework of the Constitution and the laws and are responsible for their work to the Government, it is indisputable that the ministers, as persons who manage the ministries, they are obliged to inform the Government about the disposal of financial resources (expenditures) designated for the performance of the works and tasks within their competence that are of importance for the performance of the functions of the state and for the efficient realization of the rights and duties of citizens and legal entities. However, the Ministry of Energy, Mining and Mineral Resources, when exercising the function of the Assembly of Shareholders of JSC MEPSO Skopje, has no obligation to inform the Government about the disposal of financial resources (expenses), considering that the operations of JSC MEPSO Skopje are not financed by the Budget, and the revenues and expenses from its operations are not planned and are not included in the Budget.

Article 27 of the Law on the Government establishes that the Government establishes guidelines and positions for the implementation of laws and other regulations, which determine the manner of work of the ministries in the implementation of laws and other regulations, determines deadlines for the adoption of acts for which these bodies are authorized, and for submitting reports on individual issues, the manner of cooperation with other state bodies is determined, as well as other issues that are of importance for the performance of the functions of these bodies. For this purpose, Article 28 of the same law provides the Government with the opportunity to issue instructions and guidelines to a specific minister on how to implement the Government's guidelines and positions. From the above provisions of the Law on the Government it follows that the guidelines and positions established by the Government refer only to the implementation of the laws and other regulations that determine the manner of work of the ministries, in the execution of laws and other regulations as well as for other matters related to the accomplishment of the tasks and tasks within the competence of the Ministry of Energy, Mining and Mineral Resources that are of importance for the performance of the functions of the state and for the efficient exercise of the rights and duties of citizens and legal entities, and not for the exercise of the function of the Ministry of Energy, Mining and Mineral Resources as the Assembly of Shareholders of JSC MEPSO Skopje.

The basis for this approach stems from Article 134 of the Energy Law (*lex specialis*), in relation to the Law on Government, which clearly establishes the independence of the Ministry of Energy, Mining and Mineral Resources as the owner of JSC MEPSO Skopje. Namely, this provision unequivocally establishes that the Ministry is independent in making decisions on the selection of the supervisory body, i.e. the management body of JSC MEPSO Skopje, and the members of the supervisory body, i.e. the management body of JSC MEPSO Skopje are independent in the decision-making procedure in accordance with the law. Hence, the Ministry of Energy, Mining and Mineral Resources has no legal obligation to inform the Government about issues related to the operations of JSC MEPSO Skopje.

IV.3.3. The right of the Government to supervise the legality and efficiency of the work of ministries.

The supervision that the Government exercises over the legality and efficiency of the work of the Ministry of Energy, Mining and Mineral Resources relates to the performance of the functions of the state and the efficient exercise of the rights and duties of citizens and legal entities, and not for the exercise of the function of the Ministry of Energy, Mining and Mineral Resources as the shareholders' assembly of JSC MEPSO Skopje.

Article 4 of the Law on Organization and Work of State Administration Bodies establishes that state administration bodies, within the framework of their competence, are obliged to ensure that citizens effectively and lawfully exercise their constitutional freedoms and rights. Also, Article 3 of the same law provides that state administration bodies shall exercise their powers determined by law based on the principles of legality, accountability, efficiency, economy, transparency, equality and predictability. Pursuant to Article 41 of this law, the Government shall supervise the work of the ministries. Article 38 of the same law stipulates that supervision is carried out as supervision over the legality and supervision over the efficiency of the work of ministries.

According to Article 6 of the Law on the Government, in order to exercise its competence, the Government adopts an annual work program. Article 16, paragraph (4) of the Rules of Procedure of the Government of the Republic of Macedonia establishes that the annual work program incorporates the strategic priorities for the operationalization of the Program. In accordance with Article 36, paragraph 5 of the Law on Government, the Program determines certain issues within the competence of the government for which it is necessary to determine dynamics and deadlines.

Supervision of legality refers to whether the acts adopted, and the procedures undertaken by ministries are in accordance with the Constitution and laws and within the framework of their legally established competencies, rights and obligations. On the other hand, supervision of efficiency refers to the way ministries exercise their responsibilities, as well as their actions regarding the exercise of citizens' rights and obligations, as well as the implementation of the Program in accordance with the foreseen deadlines and dynamics.

From the above provisions it follows that during supervision the Government determines whether the minister implements his/her competencies within legally established deadlines. Considering that laws and regulations adopted on the basis of law determine the manner, procedures and deadlines for their implementation, as well as financial resources for their realization, it follows that the Government is guided by these criteria when supervising the work of a particular minister.

IV.3.4. The right of the Government to prevent the execution of measures and to withdraw or annul an act adopted by the Minister.

The Government may instruct the Minister or may withhold from execution a regulation and propose to the Minister within a specified period to amend or withdraw the regulation if the regulation regulating the performance of state functions and the exercise of the rights and duties of citizens and legal entities is not in accordance with the Constitution, law or other regulation. The manner and procedure for annulling the decisions of the Ministry of Energy, Mining and Mineral Resources adopted in the function of the shareholders' meeting of JSC MEPSO Skopje is regulated by the Law on Trade Companies.

In this sense, if the Government considers that a certain regulation adopted by a Minister is not in accordance with the Constitution, a law or another regulation, it may, under Article 29 of the Law on the Government, inform the Minister thereof, or it may withhold a regulation from execution and propose to the Minister to amend or withdraw the regulation within a certain period of time.

Also, in accordance with Article 30 of the Law on the Government, the Government supervises the work of ministries and other bodies of state administration and administrative organizations and has the right

and duty to repeal or annul a regulation or other act of the ministries that is not in accordance with the Constitution, law or another regulation of the Assembly, i.e., a regulation of the Government. According to Article 103 of the Rules of Procedure of the Government, a proposal for repeal, i.e. annulment of a regulation adopted by a minister, is submitted by the Prime Minister, i.e. a member of the Government, if he or she considers that such regulation is not in accordance with the Constitution, i.e. a law or a regulation of the Government. This proposal is submitted for opinion to the Secretariat for Legislation, which will submit its reasoned opinion to the Government and to the minister who enacted that regulation. The Government decides to repeal, or annul, the regulation.

Taking into account the above-mentioned provision of Article 134 of the Energy Law, the Government cannot supervise legality and efficiency, i.e. annul decisions or reassess actions in accordance with the provisions of Articles 38 and 41 of the Law on Organization and Work of State Administration Bodies, on the decisions that the Ministry of Energy, Mining and Mineral Resources adopts or on the actions it undertakes as the sole shareholder of JSC MEPSO Skopje. Namely, the manner and procedure for annulment of the decisions of the shareholders' meeting are regulated by Articles 408 to 415 of the Law on Trade Companies, which stipulate that a lawsuit for nullity or a lawsuit for revocation may be filed against the decision of the Assembly of Shareholders before an authorized court. The aforementioned provisions of the Law on Trade Companies establish that a lawsuit for refutation, among others, may be filed by the management body and the supervisory board, as well as any member of the management body and the supervisory board, if by implementing the decision he would commit an act that is punishable, illegal or for which he could be liable for damage, but not the Government based on the right to supervise the legality and efficiency of the work of the ministry as an Assembly of Shareholders.

In addition to the above issues, the Energy Regulatory Commission determined that independence in the performance of the activity is also ensured through the provision of Article 383 paragraph (5) of the Law on Trade Companies, according to which the Assembly of Shareholders, in this specific case represented by the Minister of Energy, Mining and Mineral Resources, cannot decide on issues related to the daily operations of the company as stated in section III.1.1.1. (Ownership structure), the appointment of a Compliance Officer as stated in section III.1.1.3. (Compliance Officer) and the establishment of data protection measures as set out in section III.2.2. (Data Protection Measures), from the justification of this Decision.

The provisions of Article 133, paragraph (2) and paragraph (3) of the Energy Law ensure the independence of the members of the supervisory body and the management body of JSC MEPSO Skopje, in such a way that the provisions prohibit the same person or persons from participating at the same time in the management and administration of a company that carries out any of the activities of production, storage, supply or trade in electricity and at the same time from managing or exercising another right at the electricity transmission system operator or vice versa. In this sense, restrictions on management and governance relate to the exercise of voting rights, as well as the election and appointment of members of the supervisory body and the management body, but also to the possession of a majority share.

According to Article 349 of the Law on Trade Companies, if a member of the Management Board or the Supervisory board of the company has a conflict of interest with the subject of discussion and decision-making, he or she cannot participate in the discussion or decision-making regarding the subject of work.

According to the allegation in section III.1.1.2. (Management and Supervisory Bodies), section III.1.3. (JSC ESM Skopje) and section III.1.4. (Nomagas JSC Skopje) and section II.3.4., from the justification of this Decision, the appointed members of the Management and Supervisory Board of these companies are not members of the management body, i.e., of supervisory in another company, which has the same or similar subject of operation of the company, in line with Article 348 paragraph (1) item 3 of the Law on Trade Companies.

In line with Article 3, paragraph (2) of the Law on Prevention of Corruption and of Conflict of Interest, no one may use their function, public authority, official duty or position to perform or omit an action that they are not allowed or required to perform by law, nor to subordinate the performance of a lawful action to their personal interest or the interest of another person.

CONCLUSIONS

Based on the Energy Law*, which transposes the provisions of Directive 2019/944/EU and Regulation (EU) no. 943/2019, and considering the facts and evidence submitted in the procedure following the certification request, the Energy Regulatory Commission has determined the following:

JSC MEPSO Skopje:

- 1) Is owner of the electricity transmission grid of the Republic of North Macedonia,
- 2) is not part of a vertically integrated company and is owned by the Ministry of Energy, Mining and Mineral Resources, which is independent in making decisions in accordance with the law.
- 3) holds a license for performing the energy activity of electricity transmission,
- 4) does not perform and is independent from the performance of energy activities production, distribution, storage, supply or trade in electricity and organization and management of the electricity market and supply and distribution of gas,
- 5) is independent in the management and administration of the company in relation to other companies that carry out energy activities in the Republic of North Macedonia.

Taking into account the above, the Energy Regulatory Commission has determined that JSC MEPSO Skopje fully meets the requirements to be certified and appointed as the transmission system operator and has decided as in the operative part of this Decision.

LEGAL ADVICE: An administrative dispute may be initiated against this Decision, within 30 days of the date of its receipt.

No. 02-2466/1
29 December 2025.
Skopje

President

Marko Bislimoski

