



Nataša Erjavec, Notary Public  
Ljubljana

Ref. No. SV 452/13

## NOTARIAL CERTIFICATE

Notary Public Nataša Erjavec from Ljubljana, Tržaška cesta 2 (two), hereby

**certify,**

that the changed and amended provisions of the consolidated copy of the Articles of Association of the company MERCATOR, d.d., are

**consistent**

with the resolutions on the changes and amendment to the Articles of Association as adopted by the company shareholders at the 19th (nineteenth) Shareholders Assembly held on June 18, 2013 (June eighteen, two thousand thirteen) and as such changes and amendments are evident from the notarial record of proceedings Ref No. SV 450/13 (four hundred fifty slash thirteen). I, the above specified notary public was present when the changes and amendments were adopted.

I, the notary public, find that the consolidated text of the Articles of Association of the company MERCATOR, d.d., is consistent by form and contents with the notarial record (Articles 31 through 35 and 43 of the Notary Act).

Consolidated text of the Articles of Association of the company MERCATOR, d.d., attached herewith in the mandatory manner, is a constituent part of this notarial certificate.

The original of this notarial certificate is kept at my notarial office; the client shall receive a certified copy of this notarial certificate.

Ljubljana, on this June 19, 2013 (June nineteen, two thousand thirteen)

Signature and stamp of the Notary Public  
NATAŠA ERJAVEC  
[stamp, signature]

# **ARTICLES OF ASSOCIATION OF THE PUBLIC LIMITED/JOINT STOCK COMPANY**

## **POSLOVNI SISTEM MERCATOR, d.d.**

Pursuant to the Companies Act (Official Journal of the Republic of Slovenia 30/93, 29/94, and 82/94), the Shareholders Assembly of the company POSLOVNI SISTEM MERCATOR, d.d., adopted on May 30th 1995 (May thirtieth nineteen ninety-five) the Articles of Association of the public limited company / joint stock company Poslovni sistem Mercator, d.d.; at the 1st (first) Shareholders Assembly of Poslovni sistem Mercator, d.d., following the registration of the ownership restructuring of the company into the Court Register on November 23rd 1995 (November twenty-third nineteen ninety-five); at the 2nd (second) Shareholders Assembly on December 19th 1996 (December nineteenth nineteen ninety-six), at the 3rd (third) Shareholders Assembly on June 20th 1997 (June twentieth nineteen ninety-seven), at the 4th (fourth) Shareholders Assembly on November 17th 1998 (November seventeenth nineteen ninety-eight), at the 8th (eighth) Shareholders Assembly on May 31st 2002 (May thirty-first two thousand two), at the 13th (thirteenth) Shareholders Assembly on June 27th 2007 (June twenty-seventh two thousand seven), at the 16th (sixteenth) Shareholders Assembly on July 13th 2010 (July thirteenth two thousand ten), at the 18th (eighteenth) Shareholders Assembly on March 30th 2012 (March thirtieth two thousand twelve), and at the 19th (nineteenth) Shareholders Assembly on June 18th 2013 (June eighteenth two thousand thirteen), changes and amendments thereto were adopted so that the consolidated text is as follows:

## **ARTICLES OF ASSOCIATION OF THE PUBLIC LIMITED/JOINT STOCK COMPANY POSLOVNI SISTEM MERCATOR, D.D.**

### **I. GENERAL PROVISIONS**

#### **1. Article 1 (one)**

These Articles of Association define:

- general provisions,
- name and residence resp. name and seat of founders,
- name and seat of the company,
- representation,
- company activity,

- share capital amount, share number,
- company bodies,
- restraint of trade,
- measures for increase and decrease of share capital,
- possible ways to use or allocate the distributable profit,
- relations in the group,
- company dissolution,
- business secret,
- rules and other company acts,
- informing of shareholders,
- transitional and final provisions.

## 2. Article 2 (two)

Based on the Law on Enterprises (Official Gazette of the SFRY Nos. 77/88, 40/89) the former members of SOZD MERCATOR KIT, n.sub.o. on managing bodies in the period from 5 (the fifth) and 27 December 1989 (the twenty-seventh of December one thousand nine hundred and eighty-nine) concluded the Contract on foundation of Poslovni sistem Mercator, d.d., Ljubljana as a composite form of enterprise integration.

By the end of 1992 (one thousand nine hundred and ninety-two) the unpayable transfers of the members' social capital to the holding enterprise were registered which thus became a majority owner of members. In this way the actual group has been formed concentrating social capital among its sources of assets.

The Programme of ownership transformation of Poslovni sistem Mercator, d.d., Ljubljana was adopted by the Shareholders Assembly of Poslovni sistem Mercator, d.d., Ljubljana on the 19 (nineteenth) May and 9 September 1994 (the ninth of September one thousand nine hundred and ninety-four); according to this Programme 40 (forty) % of social capital is designated to three funds and 60 (sixty) % to public sale of shares. On the 28 September 1994 (the twenty-eighth of September one thousand nine hundred and ninety-four) it was approved by the Agency of the Republic of Slovenia for Reconstructing and Privatization. The public sale of shares of Poslovni sistem Mercator, d.d., Ljubljana was carried out in the period from 20 (the twentieth) October to 18 November 1994 (the eighteenth of November one thousand nine hundred and ninety-four).

## 3. Article 3 (three)

The Companies Act is used directly unless otherwise determined by these Articles of Association.

## 4. Article 4 (four)

Poslovni sistem Mercator, d.d. is a business company organized as a joint-stock company performing a gainful activity and appearing on the market with the objective of profit making.

The company is a legal entity registered in the court register and has all authorizations in legal transactions.

The company is responsible for its liabilities with its total property, whereas shareholders bear no responsibility for the liabilities of the company.

The company has been founded for an indefinite period.

## 5. Article 5 (five)

Poslovni sistem Mercator is an actual group in which the company Poslovni sistem Mercator d.d. is a controlling company. The companies of the group are those companies in which the controlling company owns directly or indirectly the majority share or the majority of voting rights, and which are under its actual unified management.

The group Poslovni sistem Mercator has been founded with the aim of:

- profit increase in each group company and the group as a whole,
- common balanced development of all companies,
- the best and the greatest possible supply of consumer goods and services in Slovenia,
- greater competitiveness, efficiency and successfulness,
- guidance of goods flows,
- coordinated appearance on home and foreign markets in purchase and sale,
- financing of current operating and development with joint means,
- security, joint liquidity and the best possible yield in money transactions.

Poslovni sistem Mercator, d.d. as a holding company of the group directs and coordinates goods and market flows in the group, consolidates financial resources of members for securing current financial operations and investments and coordinates the development of members, develops mutual business connections and establishes their organizational and technological progress.

When speaking about company or group bodies, the same bodies are meant.

## **II. NAME AND SEAT OF FOUNDER**

### **6. Article 6 (six)**

In the sense of the company transformation according to the Company Law, the company founders are as follows:

- Development Fund of the Republic of Slovenia, Ljubljana, Kotnikova 28 (twenty-eight),
- Old-Age Pension and Disablement Insurance Capital Fund, Ljubljana, Mala ulica 5 (five),
- Slovenian Compensation Fund, Ljubljana, Dunajska 22 (twenty-two),
- 14 (fourteen) agricultural cooperatives as per the list and the company MERCATOR-ROŽNIK, d.d., Ljubljana,
- natural persons as per the list.

## **III. NAME AND SEAT OF THE COMPANY**

### **7. Article 7 (seven)**

Name of the company: POSLOVNI SISTEM MERCATOR, d.d. (hereinafter referred to as the company)

Shortened/abbreviated name of the company: MERCATOR, d.d.

A constituent part of the company is a collective logo MERCATOR representing a common exterior sign of affiliation to the group.

The collective logo "M" comprises a mark resp. symbol made up of an abstract symbol of stylized letter "M" and a logo Mercator in Folio Extra Bold type font. The obligatory colours in colour execution are: symbol - red (pantone 1935 – one thousand nine hundred and thirty-five), logo - grey (pantone 425 – four hundred and twenty-five).

The use of the collective logo MERCATOR by members and in legal transactions is determined by rules adopted by the Management Board.

The full or the shortened name and seat of the company is used on company stamps.

8. Article 8 (eight)

The seat of the company is in Ljubljana.

**IV. REPRESENTATION**

9. Article 9 (nine)

The Management Board acts for and represents the company against third persons unlimitedly.

10. Article 10 (ten)

Upon previous consent of the Supervisory Board, the Management Board can grant a power of attorney to one or more persons.

**V. COMPANY ACTIVITY**

11. Article 11 (eleven)

Company activities include the following:

- 01.110 Growing of cereals (except rice), leguminous crops and oil seeds
- 01.120 Growing of rice
- 01.130 Growing of vegetables and melons, roots and tubers
- 01.140 Growing of sugar cane
- 01.150 Growing of rice
- 01.160 Growing of fiber crops
- 01.190 Growing of other non-perennial crops
- 01.210 Growing of grapes
- 01.220 Growing of tropical and subtropical fruits
- 01.230 Growing of citrus fruits
- 01.240 Growing of pome fruits and stone fruits
- 01.250 Growing of other tree and bush fruits and nuts
- 01.260 Growing of oleaginous fruits
- 01.270 Growing of beverage crops
- 01.280 Growing of spices, aromatic, drug and pharmaceutical crops
- 01.290 Growing of other perennial crops
- 01.300 Plant propagation
- 01.610 Support activities for crop production
- 01.620 Support activities for animal production
- 01.630 Post-harvest crop activities
- 01.640 Seed processing for propagation
- 02.100 Silviculture and other forestry activities
- 02.200 Logging
- 02.300 Gathering of wild growing non-wood products
- 02.400 Support services to forestry
- 10.130 Production of meat and poultry meat products
- 10.310 Processing and preserving of potatoes
- 10.320 Manufacture of fruit and vegetable juice
- 10.390 Other processing and preserving of fruit and vegetables
- 10.410 Manufacture of oils and fats
- 10.520 Manufacture of ice cream
- 10.710 Manufacture of bread; manufacture of fresh pastry goods and cakes

10.720 Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes  
 10.730 Manufacture of macaroni, noodles, couscous and similar farinaceous products  
 10.850 Manufacture of prepared meals and dishes  
 10.890 Manufacture of other food products not elsewhere classified  
 11.010 Distilling, rectifying and blending of spirits  
 11.020 Manufacture of wine from grape  
 13.300 Finishing of textiles  
 14.130 Manufacture of other outerwear  
 16.100 Sawmilling and planing of wood  
 16.220 Manufacture of assembled parquet floors  
 16.230 Manufacture of other builders' carpentry and joinery  
 17.230 Manufacture of paper stationery  
 18.120 Other printing  
 18.140 Binding and related services  
 19.200 Manufacture of refined petroleum products  
 23.200 Manufacture of refractory products  
 23.410 Manufacture of ceramic household and ornamental articles  
 23.420 Manufacture of ceramic sanitary fixtures  
 23.430 Manufacture of ceramic insulators and insulating fittings  
 23.440 Manufacture of other technical ceramic products  
 23.490 Manufacture of other ceramic products  
 25.120 Manufacture of doors and windows of metal  
 25.620 Machining  
 25.930 Manufacture of wire products, chain and springs  
 25.940 Manufacture of fasteners and screw machine products  
 33.120 Repair of machinery  
 41.100 Development of building projects  
 41.200 Construction of residential and non-residential buildings  
 42.110 Construction of roads and motorways  
 42.120 Construction of railways and underground railways  
 42.130 Construction of bridges and tunnels  
 42.210 Construction of utility projects for fluids  
 42.220 Construction of utility projects for electricity and telecommunications  
 42.910 Construction of water projects  
 42.990 Construction of other civil engineering projects not elsewhere classified  
 43.110 Demolition  
 43.120 Site preparation  
 43.130 Test drilling and boring  
 43.210 Electrical installation  
 43.220 Plumbing, heat and air conditioning installation  
 43.290 Other construction installation  
 43.310 Plastering  
 43.320 Joinery installation  
 43.330 Floor and wall covering  
 43.341 Glazing  
 43.342 Painting  
 43.390 Other building completion and finishing  
 43.910 Roofing activities  
 43.990 Other specialized construction activities not elsewhere classified  
 45.110 Sale of cars and light motor vehicles  
 45.190 Sale of other motor vehicles  
 45.200 Maintenance and repair of motor vehicles  
 45.310 Wholesale trade of motor vehicle parts and accessories  
 45.320 Retail trade of motor vehicle parts and accessories  
 45.400 Sale, maintenance and repair of motorcycles and related parts and accessories  
 46.110 Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods

- 46.120 Agents involved in the sale of fuels, ores, metals and industrial chemicals
- 46.130 Agents involved in the sale of timber and building materials
- 46.140 Agents involved in the sale of machinery, industrial equipment, ships and aircraft
- 46.150 Agents involved in the sale of furniture, household goods, hardware and ironmongery
- 46.160 Agents involved in the sale of textiles, clothing, fur, footwear and leather goods
- 46.170 Agents involved in the sale of food, beverages and tobacco
- 46.180 Agents specialized in the sale of other particular products
- 46.190 Agents involved in the sale of a variety of goods
- 46.210 Wholesale of grain, unmanufactured tobacco, seeds and animal feeds
- 46.220 Wholesale of flowers and plants
- 46.230 Wholesale of live animals
- 46.240 Wholesale of hides, skins and leather
- 46.310 Wholesale of fruit and vegetables
- 46.320 Wholesale of meat and meat products
- 46.330 Wholesale of dairy products, eggs and edible oils and fats
- 46.340 Wholesale of beverages
- 46.350 Wholesale of tobacco products
- 46.360 Wholesale of sugar and chocolate and sugar confectionery
- 46.370 Wholesale of coffee, tea, cocoa and spices
- 46.380 Wholesale of other food, including fish, crustaceans and molluscs
- 46.390 Non-specialized wholesale of food, beverages and tobacco
- 46.410 Wholesale of textiles
- 46.420 Wholesale of clothing and footwear
- 46.430 Wholesale of electrical household appliances
- 46.440 Wholesale of china and glassware and cleaning materials
- 46.450 Wholesale of perfume and cosmetics
- 46.460 Wholesale of pharmaceutical goods
- 46.470 Wholesale of furniture, carpets and lighting equipment
- 46.480 Wholesale of watches and jewellery
- 46.490 Wholesale of other household goods
- 46.510 Wholesale of computers, computer peripheral equipment and software
- 46.520 Wholesale of electronic and telecommunications equipment and parts
- 46.610 Wholesale of agricultural machinery, equipment and supplies
- 46.620 Wholesale of machine tools
- 46.630 Wholesale of mining, construction and civil engineering machinery
- 46.640 Wholesale of machinery for the textile industry and of sewing and knitting machines
- 46.650 Wholesale of office furniture
- 46.660 Wholesale of other office machinery and equipment
- 46.690 Wholesale of other machinery and equipment
- 46.710 Wholesale of solid, liquid and gaseous fuels and related products
- 46.720 Wholesale of metals and metal ores
- 46.730 Wholesale of wood, construction materials and sanitary equipment
- 46.740 Wholesale of hardware, plumbing and heating equipment and supplies
- 46.750 Wholesale of chemical products
- 46.760 Wholesale of other intermediate products
- 46.770 Wholesale of waste and scrap
- 46.900 Non-specialized wholesale trade
- 47.110 Retail sale in non-specialized stores with food, beverages or tobacco predominating
- 47.190 Other retail sale in non-specialized stores
- 47.210 Retail sale of fruit and vegetables in specialized stores
- 47.220 Retail sale of meat and meat products in specialized stores
- 47.230 Retail sale of fish, crustaceans and molluscs in specialized stores
- 47.240 Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialized stores
- 47.250 Retail sale of beverages in specialized stores
- 47.260 Retail sale of tobacco products in specialized stores
- 47.290 Other retail sale of food in specialized stores

47.301 Retail sale of own motor fuels  
 47.302 Agents involved in the retail of motor fuels  
 47.410 Retail sale of computers, peripheral units and software in specialized stores  
 47.420 Retail sale of telecommunications equipment in specialized stores  
 47.430 Retail sale of audio and video equipment in specialized stores  
 47.510 Retail sale of textiles in specialized stores  
 47.520 Retail sale of hardware, paints and glass in specialized stores  
 47.530 Retail sale of carpets, rugs, wall, and floor coverings in specialized stores  
 47.540 Retail sale of electrical household appliances in specialized stores  
 47.590 Retail sale of furniture, lighting equipment and other household articles not elsewhere classified in specialized stores  
 47.610 Retail sale of books in specialized stores  
 47.621 Retail sale of newspapers and magazines in specialized stores  
 47.622 Retail sale of paper and stationery in specialized stores  
 47.630 Retail sale of music and video recordings in specialized stores  
 47.640 Retail sale of sporting equipment in specialized stores  
 47.650 Retail sale of games and toys in specialized stores  
 47.710 Retail sale of clothing in specialized stores  
 47.720 Retail sale of footwear and leather goods in specialized stores  
 47.730 Dispensing chemist in specialized stores  
 47.740 Retail sale of medical and orthopaedic goods in specialized stores  
 47.750 Retail sale of cosmetic and toilet articles in specialized stores  
 47.761 Retail sale of flowers, plants, seeds, fertilizers, pet animals and pet food in specialized stores  
 47.762 Retail sale of gardening equipment and pets in specialized stores  
 47.770 Retail sale of watches and jewellery in specialized stores  
 47.781 Retail sale of eyeglasses in specialized stores  
 47.782 Retail sale of artistic products in specialized stores  
 47.789 Other retail sale of new goods in specialized stores  
 47.790 Retail sale of second-hand goods in stores  
 47.810 Retail sale via stalls and markets of food, beverages and tobacco products  
 47.820 Retail sale via stalls and markets of textiles, clothing and footwear  
 47.890 Retail sale via stalls and markets of other goods  
 47.910 Retail sale via mail order houses or via Internet  
 47.990 Other retail sale not in stores, stalls or markets  
 49.310 Urban and suburban passenger land transport  
 49.320 Taxi operation  
 49.391 Intercity and other road passenger transport  
 49.392 Cable car operation  
 49.410 Freight transport by road  
 49.420 Removal services  
 52.100 Warehousing and storage  
 52.210 Service activities incidental to land transportation  
 52.220 Service activities incidental to water transportation  
 52.230 Service activities incidental to air transportation  
 52.240 Cargo handling  
 52.290 Forwarding and Other transportation support activities  
 53.200 Other postal and courier activities  
 55.100 Hotels and similar accommodation  
 55.201 Children and other holiday homes  
 55.202 Tourist farm houses with lodging  
 55.203 Letting of private tourist rooms  
 55.204 Mountain refuges and youth hostels  
 55.209 Other short-stay accommodation  
 55.300 Camping grounds, recreational vehicle parks and trailer parks  
 55.900 Student and other accommodation  
 56.101 Restaurants and inns  
 56.102 Snack bars and similar



56.103 Sweetshops and coffee-houses  
 56.104 Provisory food-serving stands  
 56.105 Tourist farm houses without lodging  
 56.210 Event catering activities  
 56.290 Other food service activities  
 56.300 Beverage serving activities  
 58.110 Book publishing  
 58.120 Publishing of directories and mailing lists  
 58.130 Publishing of newspapers  
 58.140 Publishing of journals and periodicals  
 58.190 Other publishing activities  
 58.210 Publishing of computer games  
 58.290 Other software publishing  
 59.200 Sound recording and music publishing activities  
 60.100 Radio broadcasting  
 60.200 Television programming and broadcasting activities  
 62.010 Computer programming activities  
 62.020 Computer consultancy activities  
 62.030 Computer facilities management activities  
 62.090 Other information technology and computer service activities  
 63.110 Data processing, hosting and related activities  
 63.120 Web portals  
 63.990 Other information service activities not elsewhere classified  
 64.190 Other monetary intermediation  
 64.200 Activities of holding companies  
 64.300 Trusts, funds and similar financial entities  
 64.910 Financial leasing  
 64.920 Other credit granting  
 64.990 Other financial service activities, except insurance and pension funding not elsewhere classified  
 66.110 Administration of financial markets  
 66.120 Security and commodity contracts brokerage  
 66.190 Other activities auxiliary to financial services, except insurance and pension funding  
 66.300 Fund management activities  
 68.100 Buying and selling of own real estate  
 68.200 Renting and operating of own or leased real estate  
 68.320 Management of real estate on a fee or contract basis"  
 69.101 Legal representation  
 69.103 Other legal activities  
 69.200 Accounting, bookkeeping and auditing activities; tax consultancy  
 70.100 Activities of head offices  
 70.210 Public relation and communication activities  
 70.220 Business and other management consultancy activities  
 71.111 Architectural planning  
 71.112 Landscape architecture, urban and other planning  
 71.121 Geo-engineering and related activities  
 71.129 Other engineering activities and related technical consultancy  
 71.200 Technical testing and analysis  
 72.110 Research and experimental development on biotechnology  
 72.190 Other research and experimental development on natural sciences and engineering  
 72.200 Research and experimental development on social sciences and humanities  
 73.110 Advertising agencies  
 73.120 Media representation  
 73.200 Market research and public opinion polling  
 74.100 Specialized design activities  
 74.200 Photographic activities  
 74.300 Translation and interpretation activities

74.900 Other professional, scientific and technical activities not elsewhere classified  
 77.110 Renting and leasing of cars and light motor vehicles  
 77.120 Renting and leasing of trucks  
 77.210 Renting and leasing of recreational and sports goods  
 77.220 Renting of video tapes and disks  
 77.290 Renting and leasing of other personal and household goods  
 77.310 Renting and leasing of agricultural machinery and equipment  
 77.320 Renting and leasing of construction and civil engineering machinery and equipment  
 77.330 Renting and leasing of office machinery and equipment (including computers)  
 77.340 Renting and leasing of water transport equipment  
 77.350 Renting and leasing of air transport equipment  
 77.390 Renting and leasing of other machinery, equipment and tangible goods not elsewhere classified  
 77.400 Leasing of intellectual property and similar products, except copyrighted works  
 78.100 Activities of employment placement agencies  
 78.200 Temporary employment agency activities  
 78.300 Other human resources provision  
 79.110 Travel agency activities  
 79.120 Tour operator activities  
 79.900 Other reservation service and related activities  
 80.100 Private security activities  
 80.200 Security systems service activities  
 80.300 Investigation activities  
 81.210 General cleaning of buildings  
 81.220 Other building and industrial cleaning activities  
 81.290 Other cleaning activities  
 81.300 Landscape service activities  
 82.110 Combined office administrative service activities  
 82.190 Photocopying, document preparation and other specialized office support activities  
 82.200 Activities of call centers  
 82.300 Organization of conventions and trade shows  
 82.910 Activities of collection agencies and credit bureaus  
 82.920 Packaging activities  
 82.990 Other business support service activities not elsewhere classified  
 85.320 Technical and vocational secondary education  
 85.510 Sports and recreation education  
 85.520 Cultural education  
 85.590 Other education not elsewhere classified  
 85.600 Educational support activities  
 90.010 Performing arts  
 90.020 Support activities to performing arts  
 93.110 Operation of sports facilities  
 93.120 Activities of sport clubs  
 93.190 Other sports activities  
 93.299 Other amusement and recreation activities not elsewhere classified  
 95.110 Repair of computers and peripheral equipment  
 95.120 Repair of communication equipment  
 95.210 Repair of consumer electronics  
 95.220 Repair of household appliances and home and garden equipment  
 95.230 Repair of footwear and leather goods  
 95.250 Repair of watches, clocks and jewellery  
 95.290 Repair of other personal and household goods  
 96.010 Washing and (dry-) cleaning of textile and fur products

## **VI. SHARE CAPITAL**

### 12. Article 12 (twelve)

The share capital of the company amounts to EUR 157,128,514.53 (one hundred and fifty-seven million one hundred and twenty-eight thousand five hundred and fourteen euros 53/100) and is divided into 3.765.361 (three million seven hundred and sixty-five thousand three hundred and sixty-one) ordinary registered no-par value shares.

According to the regulations the shares are expressed in book-entry form and represent the shares of the same class within the meaning of the Companies Act (ZGD-1). All shares have been fully paid.

### 13. Article 13 (thirteen)

As at 1 January 1993 (the first of January one thousand nine hundred and ninety-three) the share capital of the company was divided in shares of the following marks:

1,377,575 (one million three hundred and seventy-seven thousand five hundred and seventy-five) ordinary shares marked A, serial numbers from 0,000,001 (one) to 1,377,575 (one million three hundred and seventy-seven thousand five hundred and seventy-five) of the total nominal value SIT 13,775,750,000 (thirteen billion seven hundred and seventy-five million seven hundred and fifty thousand tolar) representing 39.68% (thirty-nine point sixty-eight percent) of the total share capital;

2,094,265 (two million ninety-four thousand two hundred and sixty-five) ordinary shares marked G, serial numbers from 1,377,576 (one million three hundred and seventy-seven thousand five hundred and seventy-six) to 3,471,840 (three million four hundred and seventy-one thousand eight hundred and forty) of the total nominal value SIT 20,942,650,000 (twenty billion nine hundred and forty-two million six hundred and fifty thousand) representing 60.32 (sixty point thirty-two) % of the total share capital.

The shareholder shall not be allowed to transfer the shares marked A until 5 December 1995 (the fifth of December one thousand nine hundred and ninety-five) to any foreign legal or natural person or domestic legal person predominantly owned by a foreign legal or natural person without the Agency consent.

After this date the share marks A and G will be eliminated.

### 14. Article 14 (fourteen)

Ordinary shares:

- grant proportional right to management and dividend,
- are registered,
- are transferable,
- are issued in book-entry form,
- in case of the company bankruptcy or liquidation, grant the right to the payment of a proportional share from bankruptcy or liquidation assets.

### 15. Article 15 (fifteen)

The transfer of registered shares will be performed validly by the transfer entry in shareholder's register based on the document of payment resp. transfer or decree on succession, unless otherwise determined by a legal or executive order.

## **VII. COMPANY BODIES**

### **a) SHAREHOLDERS ASSEMBLY**

#### **16. Article 16 (sixteen)**

The Shareholders Assembly consists of the shareholders who assert their rights in the company affairs at the Assembly.

The Assembly may be attended and voted at only by those shareholders who register their attendance no later than at the end of the fourth day before the Shareholders Assembly, and who are entered as shareholders in the central register of dematerialized securities as at the end of the fourth day before the Assembly.

At the Assembly, the shareholders may also assert their rights arising from their shareholding via proxy. Power of attorney/authorization to the proxy shall be submitted to the company in writing and such documents shall remain in the custody of the company.

The shareholders may also appoint a proxy to represent them at the Assembly by electronic means. An authorization form for asserting the voting right via proxy is available at the company website. The authorization / power of attorney may be submitted to the company by electronic mail to the address specified in the relevant Convocation of the Shareholders Assembly, scanned into an image file and attached to the e-mail message. Such document shall include a handwritten signature of the natural person; in case of legal persons, such documents shall include the handwritten signature of the company representative as well as the stamp of the person, if applicable. The company shall have the right to check the identity of the shareholder or, the person conferring the power of attorney by e-mail, as well the authenticity of the signature.

The shareholders may also employ the method described in the previous paragraph to submit to the company any requests for additional items on the agenda and resolution proposals to the items on the agenda, including voting proposals. The company shall have the right to check the identity of the shareholder or, the proxy conferring the power of attorney by e-mail, as well the authenticity of the signature."

#### **17. Article 17 (seventeen)**

The Shareholders Assembly decides on:

1. In relation to the Management Board:
  - it can express a no confidence vote to the president and (or) member(s) of the Management Board;
  - decides on granting discharge to the Management Board or to an individual Member of the Management Board;
  - exceptionally it can decide on business management issues, if required by the Management Board,
2. In relation to the Supervisory Board:
  - it elects and discharges members of the Supervisory Board representing the interests of shareholders;
  - it decides on assigning a discharge paper to the Supervisory Board or to an individual member of the Management Board;
  - decides on the amount of attendance fees or other compensations and rewards for the services of Supervisory Board members;

3. In relation to the annual report and performance:
  - it decides on the adoption of the annual report if the Supervisory Board has not approved the annual report or in case that Management Board and the Supervisory Board have ceded the decision on annual report adoption to the Shareholders Assembly.
  - it decides on profit distribution according to the proposal of Management Board and the Supervisory Board;
4. In relation to the Articles of Association:
  - it decides on amendments to the Articles of Association.
5. With regard to share capital and shares:
  - it decides on measures for capital increase and decrease.
6. In relation to the status changes:
  - it decides on company dissolution and status changes (merger, affiliation, splitting, change of company form).
7. In relation to operations auditing:
  - it decides on auditor appointment.
8. On other matters according to the law and these Articles of Association.

For the adoption of decision the majority of shareholders' votes cast (simple majority) is necessary, with the exception of decisions referring to the change of Articles of Association, share capital, status changes, exclusion of priority right at new share emission, discharge and in other matters determined by the law or the Articles of Association when a three-quarter or a larger majority (qualified majority) is necessary for the adoption of a decision.

#### 18. Article 18 (eighteen)

The Shareholders Assembly shall be convened in all cases provided by law or the Articles of Association, or when such convocation is deemed to benefit the company.

The Shareholders Assembly shall, as a rule, be convened by the Management Board; alternatively, it may be convened by the Supervisory Board.

The Shareholders Assembly shall be convened when this is requested from the Management Board by shareholders whose combined shares amount to one twentieth of the total share capital. In such case, the request for convocation shall be submitted complete with agenda, resolution proposal for each proposed item on the agenda on which the Shareholders Assembly should vote, or an explanation of the agenda item if no resolution is adopted with regard to a particular agenda item; all proposals should be submitted in writing. If the Shareholders Assembly is not convened no later than in two months from the receipt of the request, the shareholders who filed the request may request from the relevant court to authorize them to convene the Shareholders Assembly.

#### 19. Article 19 (nineteen)

Convocation of the Shareholders Assembly, including the contents stipulated by the relevant regulations and legislation, shall be publicly announced at least 30 days before the day of the Shareholders Assembly in the Delo daily paper, on the company's website, and in other way when required by relevant regulations or legislation."

#### 20. Article 20 (twenty)

As a rule the Shareholders Assembly holds a session in the company seat, but it can also be held at any other place determined by the convener.

The Shareholders Assembly is conducted by the president elected by shareholders among them upon the proposal of the convener.

#### 21. Article 21 (twenty-one)

At the Assembly, a list of all shareholders present or represented, and their representatives, shall be compiled. The list shall include first and last name, residence, and the number of shares for each of the attendants.

The list shall be compiled based on the submitted attendance applications or powers of attorney, and based on the statement of record from the central register of dematerialized securities.

The list, signed by the Management Board President, shall be made available for viewing to the attendants before the vote; or, the attendants shall be allowed to view the list on an electronic medium.

#### 22. Article 22 (twenty-two)

The Shareholders Assembly decisions are effective if shareholders with voting rights representing at least fifteen percent of the represented share capital are present (the first summons).

In the summons it is determined when the repeated meeting will take place if at the first summons the quorum is not reached. At the repeated session the Shareholders Assembly decisions are effective notwithstanding the amount of the represented share capital (the second summons).

#### b) MANAGEMENT

#### 23. Article 23 (twenty-three)

The company is directed by the Management Board for the benefit of the company, independently and on its own responsibility.

The Management Board is constituted of the president and members. Upon proposal of the president of the Management Board, their number, sphere of work and authorizations are determined by the Supervisory Board of the company with the Management Act.

The Management Board President and each member of the Management Board individually and unlimitedly represent the company.

#### 24. Article 24 (twenty-four)

A member of the Management Board can be a person who, besides legal conditions, fulfils the conditions determined by the Supervisory Board of the company.

#### 25. Article 25 (twenty-five)

The Management Board adopts decisions as a rule unanimously, otherwise by ordinary majority of all the members where each member owns one vote. In case of an equal number of votes, the vote of the Supervisory Board Chairperson shall decide.

#### 26. Article 26 (twenty-six)

In capacity of an advisory body the Management Board summons a conference of directors of all group companies with intention to obtain their opinions on all important questions of business, development and current policy it is preparing and to determine the way of decisions realization.

#### 27. Article 27 (twenty-seven)

The president and the member of the Management Board are nominated by the Supervisory Board, the latter on proposal of the president of the Management Board for the 5-year period with the possibility of unlimited repeated nomination.

The repeated nomination must not be performed earlier than one year prior to the term expiry.

The Supervisory Board may dismiss a particular member or the president of the Management Board in case a major violation of his obligations is established, or that he is not capable of business management, or else, he is dismissed if Shareholders Assembly expresses a no confidence vote , except in case when no confidence vote has been expressed without founded reasons, or if other economic and business reasons are involved (major changes in shareholders' structure, reorganization, new product introduction, larger activity change, etc.).

The President, or a member of the Management Board, is not entitled to any compensation in the first three cases form the above paragraphs of this article, in case of dismissal for economic or business reasons; however, he is entitled to the compensation determined by the Agreement on managing function execution.

#### 28. Article 28 (twenty-eight)

The Management Board of the company:

1. In the field of management:

- it determines a three-year development strategy and the annual plan of the company;
- it manages the company.

2. In acting for and representing:

- it acts for and represents the company and is responsible for the legality of the work;

3. Competences and responsibilities in relation to the Shareholders Assembly:

- it realizes decisions adopted by the Shareholders Assembly and prepares measures on its request;
- it summons or convenes the Shareholders Assembly;
- in agenda announcement, together with the Supervisory Board, it submits proposals of decisions for each agenda item upon which the Shareholders Assembly should decide (except in members of the Supervisory Board votes and in appointment of an auditor );
- at the Shareholders Assembly it informs the shareholders on company matters which are the subject of the agenda;

- it enforces the nullity of a Shareholders Assembly decision.
4. Competences and responsibilities in relation to the Supervisory Board:
    - it reports to the Supervisory Board on planned business policy, profitability of the company, operating, turnover, financial situation, on business operations which can significantly influence the profitability and solvency and on all other questions concerning the operations of the company and its associated companies;
    - it presents to the Supervisory Board the annual report drawn up within two months after the end of a business year;
    - it can demand that the president summons the Supervisory Board session.
  5. In relation to the performance
    - it prepares the proposal on the allocation of distributable profit;
    - it can pay out interim dividend which must not exceed a 50 percent amount remaining from the foreseen profit after creation of reserves and not more than 50 percent profit from the previous year; payment must be granted by the Supervisory Board;
  6. In relation to the announcement of data and notifications of the company:
    - it decides which data are important for shareholders and must, therefore, be published;
    - it cares for announcement of all the necessary data in the company magazine and of those important for the public.
  7. It presents to the court all the necessary data for entry in the court register.
  8. With regard to share capital and shares:
    - it can increase the share capital according to these Articles of Association
  9. In relation to group companies;
    - it nominates representatives of the Poslovni sistem Mercator, d.d. for the sessions of group companies Shareholders Assemblies;
    - it gives instructions to representatives of the Poslovni sistem Mercator, d.d. in bodies of group companies;
    - in group companies where Poslovni sistem Mercator d.d. is the only shareholder or partner it performs the founder's function;
    - it defines criteria for concluding contracts, salary levels and other earnings for members of the Boards of Management of group companies.
  10. It performs other tasks in accordance with the law and these Articles of Association.

#### 29. Article 29 (twenty-nine)

The amount of profit belonging to each member of the company's Management Board is determined by the Supervisory Board on the basis of the Shareholders Assembly's decision.

#### 30. Article 30 (thirty)

A member of the Management Board must act in managing business with the concern of a conscientious and honest economist; protect business secret of the company and Poslovni sistem Mercator, d.d.; and respect the clauses of loyalty and restraint of trade.



## c) SUPERVISORY BOARD

### 31. Article 31 (thirty-one)

The company has a Supervisory Board consisting of nine (9) members, of which three (3) are worker representatives.

All six (6) Supervisory Board members representing shareholders shall be elected by the Shareholders Assembly; worker representatives shall be appointed by the Workers Council pursuant to the special legislation; the company shall be informed about the appointment of Supervisory Board members by the Workers Council.

### 32. Article 32 (thirty-two)

Supervisory Board members are appointed for a term of four years and they are eligible for re-election.

The Management Board must immediately announce each replacement of members of the Supervisory Board and enter the change in the register.

### 33. Article 33 (thirty-three)

Supervisory Board Chairperson and his or her deputy shall be appointed by the Supervisory Board members, among the members representing the interest of the shareholders. The deputy shall have the same powers and authorizations as the Chairperson during the latter's absence.

The president of the Supervisory Board performs primarily the following tasks:

- he conducts and summons sessions of the Supervisory Board,
- he signs minutes of the sessions of the Supervisory Board,
- he represents the company against members of the Management Board meaning he signs contracts with members of the Management Board.

### 34. Article 34 (thirty-four)

The Supervisory Board adopts its resolutions in sessions in the form of decisions, but it can also function directly while supervising and controlling documentation.

The Minutes must be kept on work of the Supervisory Board.

The Supervisory Board can nominate one or more commissions with intention to prepare proposals of decisions and to care for their realization. A Committee may not decide on issues within the responsibility of the Supervisory Board.

The Supervisory Board may authorize experts or consultants to analyze particular expert issues; these experts or consultants may also be invited to attend the Supervisory Board session.

### 35. Article 35 (thirty-five)

The Shareholders Assembly may prematurely dismiss the Supervisory Board members:

- on their own request,
- if they are no more capable of performing their functions,
- if they perform their functions in a careless and harmful way,
- for other reasons which are important for the company business.

For a decision on discharge at least three-quarter majority of cast votes is necessary.

### 36. Article 36 (thirty-six)

The Supervisory Board has especially the following competences:

1. In relation to the Management Board:

- it supervises the company business and adopts reports of the Management Board;
- it supervises and controls the books and documents of the company
- it gives consent to decisions of the Management Board when requested by the law and these Articles of Association;
- it gives consent to the three-year development strategy and to the annual plan of the company;
- it can at any time request from the Management Board a report on any question connected to the company business which has an important influence on company position;
- it appoints, discharges resp. dismisses the president and members of the Management Board ;
- it determines earnings of members of the Management Board of the company;
- it gives consent to members of the Management Board for performing gainful activity in the field of company operation and grants loans to members of the Management Board and procurators;
- give consent to the Management Board decisions regarding the subscription for shares in the share capital or in voting rights, or other acquisition and control, either by founding, increase or decrease of share capital, acquisition/purchase or otherwise, in a single transaction or more, in another legal entity/person, if such share represents 25 (twenty-five) percent or more of the share capital or voting rights in such legal person or if the acquisition price (or consideration) to be paid for such share exceeds EUR 5,000,000 (five million) or the equivalent thereof in any other currency as per the average rate of the Bank of Slovenia at the day of the decision;
- give consent to the Management Board decisions to increase or decrease the company share in the share capital or voting rights of another person/entity, in a single transactions or several transactions, which increase or decrease the company shareholdings in the share capital or voting rights in such person by 10 (ten) percentage points or more;
- give consent to the Management Board decisions to sell, transfer, lease, or to have in any other way on disposal company real estate portfolio, acquisition or lease thereof, if the value of such property exceeds EUR 5,000,000 (five million) or the equivalent amount in any other currency as per the average rate of the Bank of Slovenia as at the day of the decision.

2. In relation to the Shareholders Assembly:

- it can summon a Shareholders Assembly;
- it submits to the Shareholders Assembly the report on the results of annual report audit and, together with the Management Board, the proposal for distributable profit utilization;
- it creates opinion to the report of the Management Board on relations with group companies and submits it to the Shareholders Assembly;
- it prepares together with the Management Board (and alone for elections of members of the Supervisory Board and auditor) a proposal for decisions in the agenda announcement for each agenda point, upon which the Shareholders Assembly should decide.

3. In connection to the annual report:

- it approves the annual report and prepares the report on the audit of the annual report.

4. In connection to the relations between the Supervisory Board and the company:
  - it approves contracts between a member of the Supervisory Board and the company
5. In connection with the Articles of Association of the company:
  - it conforms their wording to the valid decisions of the Shareholders Assembly.

The Supervisory Board further decides on all other matters according to the law, these Articles of Association and general acts of the company.

#### 37. Article 37 (thirty-seven)

As a rule, a session of the Supervisory Board is convened by the president of the Supervisory Board at his judgement, but he must convene it immediately on the initiative of a member of the Supervisory Board or the Management Board. A session must take place in two weeks after the summons.

If the president does not accept the initiative, a member or the Management Board themselves can convene the Supervisory Board and propose the agenda.

As a rule, the Supervisory Board shall be convened at least once per quarter and no less than once per every half of each year.

The sessions of the Supervisory Board are attended by the members of the Supervisory Board, the Management Board and the invited experts and referees.

#### 38. Article 38 (thirty-seven)

The presence of at least one half of Supervisory Board members is required in any decision-making in order to constitute quorum.

Supervisory Board resolutions may be adopted in writing, by telephone, telegraph, or by using similar technology, only if all Supervisory Board members agree to such method.

In order to adopt a decision and for the Supervisory Board decision to be valid, majority of the votes cast is required. In case of an equal number of votes, the vote of the Supervisory Board Chairperson shall decide.

A member of the Supervisory Board does not participate in deciding on matters which concern him, but this is not valid for the elections of the president of the Supervisory Board and his deputy.

#### 39. Article 39 (thirty-nine)

Supervisory Board members may be compensated or rewarded for their services; such compensation and rewards shall be voted on by the Shareholders Assembly. The amount of payment must be in an appropriate ratio relative to the tasks of the Supervisory Board members and the company's financial status. Members of any Supervisory Board committees shall be compensated with one half of the monthly amount received by the Supervisory Board members, as well as attendance fee and the right to claim remuneration of costs in the same amount that applies for the work of the Supervisory Board."

#### 40. Article 40 (forty)

Members of the Management Board must act in managing business with concern of conscientious and honest economist and must protect business secret of the company.

The provisions of these Articles of Association on protection of business secret and on restraint of trade for the Management Board are analogously used also for members of the Supervisory Board.

### **VIII. RESTRAINT OF TRADE / NON-COMPETE CLAUSE**

#### 41. Article 41 (forty-one)

Members of the Management Board and members of the Supervisory Board as well as procurators are not allowed to participate as partners of the unlimited liability company, as general partners in limited partnership, partners and managers of the limited liability company, as members of the Management Board and the Supervisory Board and the procurators, and also not as workers in any other company or as an entrepreneur with the activity which is or could be in competitive relation to the activity of Poslovni sistem Mercator, d.d.

Only the Supervisory Board of Poslovni sistem Mercator, d.d., can define conditions on which the persons from the paragraph one hereof are allowed to participate in a competitive company.

#### 42. Article 42 (forty-two)

Without the consent of the Supervisory Board, members of the Management Board are not allowed to carry out any gainful activity in the field of the company activity, and are also not allowed to conclude deals for their own or third-party account which would have negative influence on the interests of the company resp. Poslovni sistem Mercator, d.d.

### **IX. MEASURES FOR INCREASE OF SHARE CAPITAL**

#### a) Increase of share capital by stakes

#### 43. Article 43 (forty-three)

The increase of share capital by stakes can only be performed by the issue of new shares. The increase of share capital is decided by the Shareholders Assembly with three-quarters of votes at decision making of represented share capital.

The share capital cannot be increased as long as the former stakes are not fully paid, unless only an insignificant part remained unpaid. The share capital can be increased also by actual investments.

In case the share subscriber gets in arrears with the payment of money contributions, he is obliged to pay default interest which is 10 percentage points higher than the legal ones.

#### 44. Article 44 (forty-four)

The former shareholders have, in proportion to their shares in share capital, a preferential right to subscription of new shares. A term for realization of this right is at least 14 (fourteen) days.

The Management Board must announce the issue amount of new shares and the term from the above paragraph.

A preferential right can be fully or partially excluded only by decision on increase of share capital. In this case, besides legal requirements, the three-quarter majority is necessary for decision at decision making of represented share capital.

#### 45. Article 45 (forty-five)

The Management Board and the president of the Supervisory Board must file the decision on increase of share capital for entry in the register.

The increase of share capital enters into force as of the date of entry in the register.

New shares must not be issued prior to the entry of decision on increase of share capital in the register.

#### b) Conditional increase of share capital

#### 46. Article 46 (forty-six)

The Shareholders Assembly can adopt the decision on conditional increase of share capital only for:

1. exercising the right of holders of convertible bonds for shares or realization of the preferential right to the purchase of new shares,
2. preparation of merger of several companies, or in order to ensure compensation for dismissal to shareholders in connection with company's status change, when the compensation for dismissal can according to the law stipulations be ensured in shares;
3. exercising the company workers' rights to the receipt of new shares from profit and to ensure the optional entitlement of purchasing the shares provided by the company to the members of Management Board, Supervisory Board and to the employees of the company and of the associated companies.

The nominal amount of conditionally increased share capital must not exceed one half of capital existing at the moment of decision making.

Provisions of these Articles of Association on pre-emptive right to the purchase of new shares shall apply mutatis mutandis also to convertible bonds. A pre-emptive right is exercised by a written statement, issued in duplicate, pursuant to the law.

#### 47. Article 47 (forty-seven)

For validity of the decision on conditional increase of share capital the majority of at least three quarters of the represented share capital is necessary at decision making.

In the Shareholders Assembly decision on conditional increase of capital it must be precisely determined for which intention the share capital is being conditionally increased, who are the beneficiaries of conditional increase of share capital and the issue amount or the scales for calculation of this amount.

Shares can be issued only after the entry of decision on conditional increase of share capital in the court register.

By share issue the share capital is increased.

c) Approved capital

48. Article 48 (forty-eight)

**REMOVED**

d) Increase of share capital from the company assets

49. Article 49 (forty-nine)

The Shareholders Assembly can decide for the share capital to be increased by transformation of other items of its own capital into the share capital.

The resolution from the paragraph one hereof shall be adopted in the same way as the resolution on increase of share capital with contributions.

The decision on increase can be passed after approval of the annual report for the last business year.

50. Article 50 (fifty)

Unless otherwise determined in the decision on increase, new shares participate in profit of complete business year in which the decision on increase of share capital has been passed.

51. Article 51 (fifty-one)

The items of its own capital which are transformed into share capital must be stated in the last balance sheet or in the interim balance sheet.

The transformation of other own capital items into the share capital is not permitted in case that the balance of sheet representing the basis for transformation states net loss transfer or net loss for a separate year.

52. Article 52 (fifty-two)

As of the date of registration of the decision on increase of capital from the company assets the new shares are considered to be fully paid and can actually be issued.

After the entry of the decision on increase of share capital in the register, the Management Board is obliged to announce immediately the invitation to shareholders to take over their new shares.

The invitation must contain all the data and the warning as determined by the law.

## **X. MEASURES FOR DECREASE OF SHARE CAPITAL**

### 53. Article 53 (fifty-three)

The share capital can be decreased:

- by combining the shares, if the minimum issue amount of the shares after the decrease in share capital fails to reach the lowest corresponding value (market value) allowed.
- by withdrawing the shares.

For validity of the decision on decrease of share capital the majority of at least three quarters of the represented share capital is necessary at decision making.

In the decision it shall be determined why the share capital is decreased and the way of share capital decrease.

With the entry of the decision on share capital decrease in the register, the share capital is decreased. The decision shall be announced.

## **XI. UTILIZATION OF DISTRIBUTABLE PROFIT**

### 54. Article 54 (fifty-four)

A business year of the company is a calendar year.

In drawing up the annual report the Management Board should propose the utilization or allocation of distributable profit.

The distributable profit can be used for:

- payment to shareholders,
- formation of other reserves from the profit,
- payment to the members of Management Board.

The Shareholders Assembly can bring a resolution on balance profit utilization, determining that distributable profit will not be distributed to shareholders, but transferred into the next period as the transferred profit, so that the entire or part of the balance profit remains undistributed.

Shareholders' shares in profit are determined in proportion to corresponding amounts of shares.

## **XII. RELATIONS IN THE GROUP**

### 55. Article 55 (fifty-five)

Relations in the group mean the actual dependence of group companies on the controlling company. The latter under unified management controls the affiliated companies.

A group company is autonomous in organizing its business and other functions and is independent in entering marketing business relations following its business interests within the obligatory instructions for the unified management.

#### 56. Article 56 (fifty-six)

Decisions of the Shareholders Assembly, the Supervisory Board and the Group Management Board, are considered as obligatory instructions for unified management, unless it is explicitly determined in an individual decision that they are not binding.

#### 57. Article 57 (fifty-seven)

Group companies are organized and managed on the basis of obligatory instructions determined by the group bodies according to the law.

#### 58. Article 58 (fifty-eight)

Poslovni sistem Mercator, d.d. as the controlling company of the group must not exercise its influence to induce a group company to carry out a legal business harmful to itself, or to do or to waive something to its disadvantage, unless the controlling company should compensate the damage.

If the company carries out a legal business harmful to itself, or does or waives something to its disadvantage, the Management Board of the group company must evaluate the detrimental effect of its action and the height of the loss at the latest in 30 days from the conclusion of business resp. services or waiver of a legal act according to instruction of the group, and present a report in writing to the Management Board and the Supervisory Board of the group. If within this period the Management Board of the group company evaluates the detrimental effect of its action, but cannot estimate the loss, it is obliged to do it at the latest within one year from the conclusion of business resp. service or waiver of a legal act, otherwise it cannot claim the loss compensation.

The Management Board and the Supervisory Board must state the findings in 3 months, and at the latest in the annual report, and if the loss occurred, how it will be compensated.

Loss compensation must be settled already during the year and at the latest until the end of the business year in which the group company presented in writing to the group the height of the loss, whereas the group must secure the priority for this compensation and its source.

If the group does not compensate the loss until the end of the business year, a group company holds a compensation claim against the group. Besides the group company also the shareholders and the company creditors hold a compensation claim, regardless of the loss they have suffered through the company detriment.

#### 59. Article 59 (fifty-nine)

Beside the annual report, the Group Management Board must prepare the report on relations in the group in the sense of this paragraph for the previous business year.

#### 60. Article 60 (sixty)

All the goods, rights and benefits deriving from their membership in the group are accessible to group companies on equal conditions.



#### 61. Article 61 (sixty-one)

Group companies, in accordance with the corporate graphic image, design their name by putting the word MERCATOR in the first place followed by the company name. All parts of the company name must be equal as regards the design and size of letters, and there is a - (dash) between the parts.

The Management Board can exceptionally determine that an individual group company does not design its company name as defined in the above paragraph hereof.

### **XIII. COMPANY DISSOLUTION**

#### 62. Article 62 (sixty-two)

A company is dissolved for reasons and according to procedure determined by the law.

### **XIV. BUSINESS SECRET**

#### 63. Article 63 (sixty-three)

On proposal of the Management Board the Supervisory Board of the company, with written decision, determines:

- which company data are considered as business secret,
- the circle of persons who must protect the company business secret,
- by whom and how the confidential data are preserved,
- deciding on time and the way how the confidential data are communicated to other persons,
- the responsibility of persons who are obliged to protect the confidential data.

### **XV. RULES AND OTHER COMPANY ACTS**

#### 64. Article 64 (sixty-four)

In addition to the Articles of Association, the company acts include the following: collective labour agreement, rules and regulations, rules of procedure, organization guidelines, working instructions, and other general acts.

These acts can be company acts or Group acts in the sense of Article 56 (fifty-six) of the Articles of Association.

### **XVI. INFORMING OF SHAREHOLDERS**

#### 65. Article 65 (sixty-five)

The company informs shareholders on all matters important for realization of their rights and liabilities in the daily newspaper Delo and in electronic form.

### **XVII. TRANSITIONAL AND FINAL PROVISIONS**

#### 66. Article 66 (sixty-six)

As of the date of implementation of these Articles of Association the Agreement on foundation of Poslovni sistem Mercator, d.d., Ljubljana as of 27 December 1989 (the twenty-

seventh of December one thousand nine hundred and eighty-nine) with amendments dated 23 May 1990 (the twenty-third of May one thousand nine hundred and ninety), 4 October 1991 (the fourth of October one thousand nine hundred and ninety-one), 28 February 1992 (the twenty-eighth of February one thousand nine hundred and ninety-two) and 25 February 1993 (the twenty-fifth of February one thousand nine hundred and ninety-three), and Articles of Association of Poslovni sistem Mercator, d.d., Ljubljana dated 6 February 1990 (the sixth of February one thousand nine hundred and ninety) with amendments dated 23 May 1990 (the twenty-third of May one thousand nine hundred and ninety), 4 October 1991 (the fourth of October one thousand nine hundred and ninety-one), 28 February 1992 (the twenty-eighth of February one thousand nine hundred and ninety-two) and 25 February 1993 (the twenty-fifth of February one thousand nine hundred and ninety-three) shall cease to be valid.

#### 67. Article 67 (sixty-seven)

As of the date of entry in the court register the company takes over all assets, rights and liabilities of the hitherto company named Poslovni sistem Mercator, d.d., Ljubljana with seat in Ljubljana, Dunajska 107 (one hundred and seven, registered in the court register under the registration entry No. 1/2785/00 (one slash two thousand seven hundred and eighty-five slash zero zero) as of 29 December 1989 (the twenty-ninth of December one thousand nine hundred and eighty-nine).