



Mercator

DOCUMENTATION

for the 21st extraordinary Shareholders Assembly (general meeting) of
the company Mercator, d.d.

September 2014

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I. Documents pertaining to item one of the agenda

OPENING OF THE SHAREHOLDERS ASSEMBLY AND APPOINTMENT OF THE SHAREHOLDERS ASSEMBLY CHAIRPERSON

The company Agrokor, d.d., hereby proposes to the Shareholders Assembly of the company MERCATOR, d.d., to adopt the following

resolution:

Grega Peljhan, attorney at law from Ljubljana, shall be appointed Chairman of the Shareholders Assembly.

Explanation:

The Shareholders Assembly shall be presided over by a chairperson appointed by the shareholders upon proposal by the shareholder Agrokor, d.d.

In Ljubljana, September 19, 2014

Management Board President:
Anton Balažič



II. Documents pertaining to item two of the agenda

INCREASE OF SHARE CAPITAL BY NEW IN-KIND AND CASH CONTRIBUTIONS

The company Agrokor, d.d., hereby proposes to the Shareholders Assembly of the company MERCATOR, d.d., to adopt the following

resolution:

- 2.1. The share capital of the company POSLOVNI SISTEM MERCATOR, d.d., shall be increased with new in-kind and cash contributions from EUR 157,128,514.53 by EUR 97,046,536.86, so that the total share capital of the Company after the increase amounts to EUR 254,175,051.39.***
- 2.2. In order to increase the share capital, at least 2,325,582 new ordinary registered no par value shares shall be issued in dematerialized form with the notional value of EUR 41.73, which shall be of the same class as the already issued ordinary registered no par value shares of the Company, and which shall grant their respective shareholders (i) the right to participate in Company management, (ii) the right to participate in the Company profits (dividend), (iii) the right to a proportional share of the remaining property in case of the company bankruptcy or liquidation.***
- 2.3. The emission value per 1 (one) new ordinary registered no-par value shares shall be EUR 86 (eighty-six EUR).***
- 2.4. The new shares shall be issued in dematerialized form by entry into the central register of dematerialized securities with the KDD, d.d. (Central Securities Clearing Corporation). The shareholder who subscribes and pays up the new shares, or the person to which such shareholder transfers the right to be ascribed such shares before the issues of shares, shall be entered as the shareholder into the central register.***
- 2.5. Pre-emptive/priority right of the existing company shareholders to subscribe the new shares shall be omitted.***
- 2.6. Within the deadline for subscription and payment of the new shares, which shall be possible at the company headquarters from the 6th to the 25th day following the Shareholders Assembly, the shares may be subscribed and paid up by Agrokor Investments B.V., with business address at Prins Bernhardplein 200, 1097 JB, Amsterdam, the Kingdom of the Netherlands, in exchange for the payment of EUR 52.00 and an in-kind contribution which shall consist of transferring to the company POSLOVNI SISTEM MERCATOR, d.d., its receivable to the Company, with principle amount of EUR 200,000,000.00, pertaining to the »220,000,000 Super Subordinated Loan Agreement« dated June 26, 2014, signed between the company POSLOVNI SISTEM MERCATOR, d.d., as the borrower and the companies Agrokor Investments***



B.V. and Agrokor, d.d., as the creditors, based on which the company Agrokor Investments B.V. granted and provided to the company POSLOVNI SISTEM MERCATOR, d.d., a loan in the amount of EUR 200,000,000.00. In exchange for the payment of cash and in-kind contribution (transfer of receivable), Agrokor Investments B.V. shall acquire one new ordinary registered no par value share in dematerialized form with notional value of EUR 41.73 for every EUR 86 of the sum of the cash contribution and the amount of the transferred receivable, so that Agrokor Investments B.V. shall acquire a total of 2,325,582 new ordinary registered no par value shares in dematerialized form with a notional value of EUR 41.73.

- 2.7. Capital increase by in-kind contributions shall be reviewed by an auditor.**
- 2.8. Concurrently with submission of the statement of subscription of new shares, the subscriber shall also pay the acquisition value for the shares in the amount of the emission value per share as specified in section 2.3. of this resolution, multiplied by the number of new shares subscribed, as follows:**
- a) for payment by cash contribution, by paying the cash contribution to the cash account which shall be specified in the invitation to subscribe and pay up the new shares. The shares shall be deemed paid by cash contribution when the entire amount due for payment by cash contribution is transferred to the cash account specified in the invitation to subscribe and pay up the new shares; and*
 - b) for payment by in-kind contribution by validly and effectively transferring the receivable to the company POSLOVNI SISTEM MERCATOR d.d.*
- 2.9. The subscription of shares shall be valid if the shares are paid up. The issue of shares shall be deemed successful if 2,325,582 shares are paid up and subscribed in exchange for cash and in-kind contribution, within the deadlines for subscription of and payment for the shares as specified in the invitation to subscribe and pay up the new shares. If the issue of shares is not successful, the amounts of cash contributions shall be returned to the subscriber within 8 (eight) days from the day when it is established that the issue is not successful. The subscriber shall not be entitled to any interest on such payments. If the issue of shares is not successful, the transfer of receivables to the company shall be deemed non-effective. In such case, the creditor's receivable shall not be deemed transferred (i.e. shall be deemed non-transferred) to the Company.**
- 2.10. If fewer than 2,325,582 shares are subscribed and paid up within the deadlines for subscription and payment of shares by cash and in-kind contributions, then the subscription of all shares shall be deemed invalid and all subscription shall be invalidated.**
- 2.11. The final amount of the increase of share capital shall be equal to the sum of new shares multiplied by the notional value of one share, which is EUR 41.73. The increase of share capital shall be effective as at the day it is entered into the court register.**

2.12. The company Supervisory Board shall be authorized to adopt the changes and amendments to the company Articles of Association in order to adjust the wording thereof to reflect the completed increase of the company share capital.

Explanation:

Pursuant to the "220,000,000 Super Subordinated Loan Agreement" dated June 26, 2014, signed between the company POSLOVNI SISTEM MERCATOR, d.d., as the borrower and the companies Agrokor Investments B.V. and Agrokor, d.d., as the creditors, the company Agrokor Investments B.V. granted and provided to the company POSLOVNI SISTEM MERCATOR, d.d., a loan in the amount of EUR 200,000,000.00. Pursuant to the said agreement, the creditor shall have the right to convert the loaned amount into the borrower's equity, subject to condition that the Shareholders Assembly of the company POSLOVNI SISTEM MERCATOR, d.d., adopt a relevant resolution on the increase of capital. Adoption of the proposed resolution will allow the creditor to swap its receivable pertaining to the principal in the amount of EUR 200,000,000 for the equity of the company POSLOVNI SISTEM MERCATOR, d.d.

The emission value per one share is EUR 86, which is equal to the value per one share as specified in the successfully completed takeover bid by the company Agrokor, d.d.

The increase of share capital by cash contribution in the amount of EUR 52.00 is necessary to allow the issue of an integer number of new shares.

Considering the fact that this is a capital increase by in-kind contribution, in which both the subject of the in-kind contributions and the person to provide the in-kind contributions are specified in the Shareholders Assembly convocation, the omission of pre-emptive right of the existing shareholders is necessary because the specific in-kind contribution can only be provided by a specific person.

Ljubljana, September 19, 2014

Management Board President:

Anton Balažič

Appendix to item 2 of the agenda:

- Report by the Management Board of Poslovni sistem Mercator, d.d., on justified cause for full omission of pre-emptive/priority right in the increase of share capital by new in-kind and cash contributions

INFORMATION FOR THE SHAREHOLDERS

1. Total number of shares and voting rights as at the day of Shareholders Assembly convocation

As at the day of Shareholders Assembly convocation, the company has 3,765,361 ordinary registered no par value shares. Pursuant to the relevant legislation, each ordinary share carries one vote for its owner at the Shareholders Assembly. As at the day of Shareholders Assembly convocation, the company has 42,192 treasury shares which do not carry voting rights.

2. Information on additional items of the agenda

Shareholders whose combined shareholdings amount to one twentieth (five percent) of share capital, may request in writing after the convocation of the Shareholders Assembly an additional item of the agenda. A written proposal of the resolution on which the Shareholders Assembly should vote/decide, or an explanation of the agenda item in case no resolution is to be adopted with regard to a particular agenda item, shall be attached to the request. It shall suffice to send the request to the company no later than seven days after the announcement of Shareholders Assembly convocation.

Pursuant to Article 298, Paragraph three of the Companies Act (ZGD-1), the company Management Board shall announce those additional agenda items that are requested and submitted by the shareholders no later than seven days after the announcement of this Shareholders Assembly convocation.

The shareholders may submit the requests for additional items of the agenda to the company by electronic mail, to the address skupscina@mercator.si. Requests for additional agenda item submitted by electronic mail must be sent as a scanned image file attached to the e-mail message. The image file must 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 seal 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 additional agenda item shall only be discussed at the Shareholders Assembly if it is announced in the same way as the Shareholders Assembly convocation, no later than 14 days before the Shareholders Assembly; otherwise, it shall be discussed at the first subsequent Shareholders Assembly. The Management Board will provide in the same deadline and in the same way an announcement of the consolidated copy of the agenda.

3. Information on shareholder proposals

The shareholders may submit, in writing, resolution proposals to each item of the agenda. A shareholder proposal will only be announced by the company Management Board if the shareholder submits within seven days after the convocation of the Shareholders Assembly to the company a reasonably justified proposition, along with the statement of whether the shareholder will counter the proposal by the Agrokor, d.d., and whether the shareholder intends to convince other shareholders to vote for her/his proposal. The shareholder shall not be required to justify an election proposal.

The shareholders may also submit the resolution and election proposals to the company by electronic mail, to the address skupscina@mercator.si. Resolution or election/voting proposals submitted by electronic mail must be sent as a scanned image file attached to the e-mail message. The image file must 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 seal of the person, if applicable. The company has 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 Management Board shall not announce the shareholder's proposal and the pertaining explanation in the following cases:

- if an announcement of the proposal would constitute a criminal or minor offence;
- if the proposal could lead to a Shareholders Assembly resolution that would be in breach of the legislation or the provisions of the Articles of Association;
- if the explanation of the proposal includes obviously wrong or misleading information or insults in its key points;
- if the shareholder's proposal with the same contents has already been submitted to the company Shareholders Assembly;
- if the same shareholder's proposal with essentially the same explanation has been submitted at two or more company Shareholders Assemblies in the last five years, and if less than one twentieth (five percent) of the represented share capital voted in favour of such proposal;
- if the shareholder makes it clear that she / he would not attend the Shareholders Assembly and would not be represented there; or
- if the shareholder has not upheld her or his submitted proposal at the Shareholders Assembly in the last two years, or did not do so via proxy.

The Management Board shall not announce the explanation to the proposal if it includes more than 3,000 characters. The Management Board has the right to announce any proposal and their respective explanations in a summary, if several shareholders submit their proposals on the same issue. Shareholder proposals that are not submitted to the company within seven days after the announcement of the Shareholders Assembly convocation and are presented at latest at the Shareholders Assembly shall be discussed at the Assembly.

4. Information on the shareholder's right to information

The Management Board shall provide reliable information on company affairs at the Shareholders Assembly, if such information is required for assessment of the agenda items. Upon questions posed by several shareholders with regard to the same issue, the Management Board may submit the information in a combined reply. The Management Board will submit information on legal and business relations of the company with its subsidiaries, if this is deemed necessary for assessment of the agenda.

Regardless of the provisions from the previous paragraph, the Management Board shall not be required to submit information in the following cases:

- if submitting the information is, by sound economic judgement, of such nature that it could cause injury to the company or an associated company;

- if the information is related to balancing and assessment methods, when the description of such methods in the appendix suffices for assessment of property, finance, and performance aspects of the company corresponding to the actual circumstances;
- if submitting such information would constitute a criminal or minor offence or non-compliance with sound business practice;
- if the information has already been announced on the company website in the FAQ section at least seven days before the Assembly.

If a shareholder is provided with information outside the Shareholders Assembly, the same information shall be submitted to any other shareholder upon their request, even if such information is not deemed necessary for assessment of the agenda item. If a shareholder is not provided with the required information at the Shareholders Assembly, they may request that their question and the reason for which access to information was denied be entered into the Assembly minutes.

5. Attendance conditions and assertion of voting rights

The Assembly may be attended and voted at only by those shareholders who register their attendance in writing in such way that the Management Board receive their application no later than at close of business on the fourth day before the Shareholders Assembly, i.e. by the end (close of business) of October 17, 2014, and who are registered as shareholders in the central register of dematerialized securities as at close of business of October 17, 2014. The application shall be submitted by regular mail to the address Mercator, d.d., Dunajska cesta 107, Ljubljana, Tajništvo pravnega sektorja (Legal Affairs Secretary Office). The applications to the Shareholders Assembly cannot be submitted using electronic means. Only applications with original signatures of the shareholders or their proxies shall be accepted and deemed valid. The Shareholders Assembly Application Form shall be available at the company website, and freely available at the company headquarters in Ljubljana, at Dunajska cesta 107, ground floor, each business day from the day of announcement of the convocation to the day of the Shareholders Assembly convention, from 9 AM to 12 noon.

Each shareholder with the right to attend the Shareholders Assembly may also appoint a proxy to attend the Shareholders Assembly on their behalf and exercise their voting right. The power of attorney shall be submitted to the company in writing. The power of attorney shall remain in possession of the company. Proxy voting form is available at the company website; it is also available free of charge at the company headquarters in Ljubljana, at Dunajska cesta 107, ground floor, each business day from the day of announcement of the convocation to the day of the Shareholders Assembly session, from 9 AM to 12 noon. The power of attorney may also be submitted to the company by electronic mail to the address skupscina@mercator.si, 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 seal 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 revoke the power of attorney in the same way it was submitted, at any time until the day of the Shareholders Assembly.

The shareholders or their proxies or attorneys shall be obliged to prove their identity upon request by presenting a personal identification document and written power of attorney; in addition, statutory representatives shall also be required to present an extract from the judicial or business register.

The shareholders are kindly requested to check in at the Shareholders Assembly reception office upon their arrival, no later than half hour before the beginning of the session, to confirm their presence with their signatures on the list of attendants and to claim their voting devices. The hall where the Shareholders Assembly is to take place will be open 30 minutes before the beginning of the session.

The Shareholders Assembly is convened for 1 PM. In case of absence of quorum at such time, the Assembly shall be rescheduled for 2 PM on the same day at the same place, regardless of the percentage of total share capital represented at the Assembly.

Ljubljana, September 19, 2014

Management Board President:
Anton Balažič