



**Mercator**

Pursuant to Articles 18 and 19 of the Articles of Association of the company POSLOVNI SISTEM MERCATOR, d.d., Article 295, Paragraph 2, of the Companies Act (ZGD-1), Rules and Regulations of the Ljubljana Stock Exchange, d.d., resolution by the company Management Board dated April 20, 2018, and the resolution by the company Supervisory Board dated April 25, 2018, and May 7, 2018, the Management Board hereby convenes the

**25<sup>th</sup> regular Shareholders Assembly,  
to take place on June 12, 2018, at 3.30 p.m.  
at the company headquarters in Ljubljana, Dunajska cesta 107**

## **I. AGENDA AND RESOLUTION PROPOSALS**

### **1. Opening of the Shareholders Assembly and appointment of the Shareholders Assembly chairperson**

RESOLUTION PROPOSAL:

*Pavle Pensa, attorney at law from Ljubljana, shall be appointed Chairman of the Shareholders Assembly.*

#### **Explanation of the resolution proposal:**

Pursuant to the company Articles of Association, the company Shareholders Assembly shall be presided over by a Chairperson appointed by the shareholders upon proposal by the party convening the Assembly.

### **2. Presentation of Annual Report and the Supervisory Board's Report on the results of Annual Report review and audit for the 2017 fiscal year; information on the compensation and rewards of the members of managerial and supervisory bodies; information on the Supervisory Board evaluation procedure; and granting discharge from liability to the company Supervisory Board and Management Board.**

RESOLUTION PROPOSAL:

A) Granting discharge from liability to the company Supervisory Board for the fiscal year 2017

*1. Discharge from liability to individual Supervisory Board members for the fiscal year 2017 shall be granted to each member separately.*

*2. The Shareholders Assembly grants discharge from liability for the fiscal year 2017 to the Supervisory Board chairman Ante Todorčić.*

3. *The Shareholders Assembly grants discharge from liability for the fiscal year 2017 to the Supervisory Board chairman Ante Ramljak.*
4. *The Shareholders Assembly grants discharge from liability for the fiscal year 2017 to the Supervisory Board deputy chairman Matej Lahovnik.*
5. *The Shareholders Assembly grants discharge from liability for the fiscal year 2017 to the Supervisory Board member Damir Kuštrak.*
6. *The Shareholders Assembly grants discharge from liability for the fiscal year 2017 to the Supervisory Board member Ivan Crnjac.*
7. *The Shareholders Assembly grants discharge from liability for the fiscal year 2017 to the Supervisory Board member Darko Knez.*
8. *The Shareholders Assembly grants discharge from liability for the fiscal year 2017 to the Supervisory Board member Ivica Mudrinić.*
9. *The Shareholders Assembly grants discharge from liability for the fiscal year 2017 to the Supervisory Board member Vladimir Bošnjak.*
10. *The Shareholders Assembly grants discharge from liability for the fiscal year 2017 to the Supervisory Board member Teo Vujčić.*
11. *The Shareholders Assembly grants discharge from liability for the fiscal year 2017 to the Supervisory Board member Matjaž Grošelj.*
12. *The Shareholders Assembly grants discharge from liability for the fiscal year 2017 to the Supervisory Board member Veljko Tatić.*
13. *The Shareholders Assembly grants discharge from liability for the fiscal year 2017 to the Supervisory Board member Vesna Stojanović.*
14. *The Shareholders Assembly grants discharge from liability for the fiscal year 2017 to the Supervisory Board member Jože Lavrenčič.*

*If the proposal to Item 1 of the agenda to vote on the discharges from liability separately for each Management Board member is not adopted, then the Management Board and the Supervisory Board propose that the following resolution be voted on in place of the resolutions 2–14 above:*

15. *The Shareholders Assembly grants discharge from liability to the company Supervisory Board for the fiscal year 2017.*

B) *Granting discharge from liability to the company Management Board for the fiscal year 2017*

1. *Discharge from liability to individual Management Board members for the fiscal year 2017 shall be granted to each member separately.*
2. *The Shareholders Assembly grants discharge from liability for the fiscal year 2017 to the president of the Management Board Toni Balažič.*
3. *The Shareholders Assembly grants discharge from liability for the fiscal year 2017 to the president of the Management Board Tomislav Čizmić.*
4. *The Shareholders Assembly grants discharge from liability for the fiscal year 2017 to the Management Board member Igor Mamuza.*
5. *The Shareholders Assembly grants discharge from liability for the fiscal year 2017 to the Management Board member Draga Cukjati.*

*If the proposal to Item 1 of the agenda to vote on the discharges from liability separately for each Management Board member is not adopted, then the Management*

*Board and the Supervisory Board propose that the following resolution be voted on in place of the resolutions 2–5 above:*

*6. The Shareholders Assembly grants discharge from liability to the company Management Board for the fiscal year 2017.*

**Explanation of the resolution proposals:**

Since the company Poslovni sistem Mercator d.d. did not generate profit in 2017, the Shareholders Assembly shall not make any decisions with regard to allocation thereof. The Shareholders Assembly shall be informed that as at December 31, 2017, net loss for the fiscal year amounted to EUR 203,725,860. Retained earnings were positive at the end of 2017, at EUR 2,584,417. The company covered its distributable loss in the amount of EUR 203,725,860 by debiting the share premium in the amount of EUR 201,141,443 and by debiting the retained earnings in the amount of EUR 2,584,417.

In 2017, we continued our activities of focusing on our core activity, i.e. fast-moving consumer goods retail. In September 2017, Mercator re-entered the retail market of Bosnia and Herzegovina. Thus, key markets of operations include Slovenia, Serbia, Montenegro, and Bosnia and Herzegovina, while in Croatia, we maintain our real estate management operations. In 2017, we further intensified the activities to improve Mercator's competitiveness in the entire region. In 2017, we continued to develop a multi-level offer of high-quality and well-priced products. After the refurbishments, our store formats are even closer to the modern consumers in terms of equipment, offer, extra services, and working hours.

In March and April of 2017, the Management Board of the company Poslovni sistem Mercator d.d. maintained regular contact with the company creditors to avoid a breach of long-term financing contracts which could result from the events pertaining at the time to the company's majority shareholder, and which eventually resulted in the adoption of the so-called Lex Agrokor. On April 9, 2017, the Management Board requested a waiver from the creditor banks in order to avoid a potential cross default. The waiver that the company requested pertained to the potential cross default with regard to the company Agrokor d.d. and some of its subsidiaries as a result of the events taking place at that time regarding the company's majority shareholder. The company Poslovni sistem Mercator d.d. did not receive any rejections of such requests, meaning it only received positive response – waivers by the majority of the creditor banks, so that the required two-thirds majority required for consent was reached.

With regard to the so-called Lex Agrokor, Mercator Group companies reported until and including June 9, 2017, their receivables from the Agrokor Group companies. In January 2018, the court in Zagreb recognized and confirmed all reported receivables.

Events and developments regarding the Agrokor Group are supervised by the extraordinary Management Board member of the company Poslovni sistem Mercator d.d., who compiles every three months a report on all transactions concluded between the company Poslovni sistem Mercator d.d. and the Agrokor Group companies.

Consistently with the Mercator Group accounting policy and international accounting standards, real estate re-appraisal was conducted in 2017, which resulted in a net impairment of real estate value by EUR 18.8 million, or 1.4% of total value of land and buildings. Real estate revaluation resulted in an increase of equity (fair value reserve) due to increase in value of real estate in the amount of EUR 126.9 million, while impairment of real estate value in the amount of EUR 145.8 million had a negative effect on Mercator Group's operating results.

In 2017, revenue of the company Poslovni sistem Mercator d.d. amounted to EUR 1,186,622 thousand, which is 1.6% less than in the last year's comparable period. The drop in revenue is largely a result of lower actual revenue in wholesale, while retail revenue was 1.7% higher than in the corresponding period of the preceding year.

In 2017, changes occurred in the composition of both the Supervisory Board and the Management Board. As of January 1, 2017, the Management Board of Poslovni sistem Mercator d.d. included two members: Toni Balažič as the president of the Management Board and Igor Mamuza as Management Board member. On April 5, 2017, the Supervisory Board of Poslovni sistem Mercator d.d. relieved, consensually and without any fault-based grounds or liability, Toni Balažič from the position of Management Board president, and appointed Tomislav Čizmić as the new Management Board president. On April 9, 2017, the Supervisory Board of Poslovni sistem Mercator d.d. appointed Draga Cukjati as Management Board member in charge of finance and IT. Pursuant to the Act on Conditions for Appointment of Extraordinary Management Board Member in Companies of Systemic Importance to the Republic of Slovenia (Official Journal of the Republic of Slovenia, 23-1204/2017), also referred to as the Lex Mercator, the company Poslovni sistem Mercator d.d. was classified as a company of systemic importance to the Republic of Slovenia. Therefore, an extraordinary Management Board member was appointed on May 18, 2017, who is responsible solely for management of transactions with the majority shareholder Agrokor d.d. and its subsidiaries, and who, pursuant to the act referred to above, makes sure the majority shareholder Agrokor d.d. does not financially drain the company Poslovni sistem Mercator d.d. Thus, the Management Board includes the following members: Tomislav Čizmić as president of the Management Board; Draga Cukjati and Igor Mamuza as Management Board members; and Gregor Planteu as the extraordinary Management Board member.

As of April 25, 2017, Ante Todorčić's term of office as Supervisory Board chairman, and Ivan Crnjac's term of office as Supervisory Board member were terminated based on their respective letters of resignation. As of June 1, 2017, Darko Knez also resigned as Supervisory Board member. At the 24th regular Shareholders Assembly of the company on June 15, 2017, Ante Ramljak, Vladimir Bošnjak, and Teo Vujčić were appointed new Supervisory Board members. Furthermore, Ante Ramljak was appointed Supervisory Board chairman at the Supervisory Board session held on June 16, 2017. In place of Veljko Tatić whose term of office expired on November 4, 2017, the Workers Council of Poslovni sistem Mercator d.d. appointed Jože Lavrenčič as the new employee representative in the Supervisory Board. The Workers Council also reappointed Vesna Stojanović, whose term of office expired on July 3, 2017, as Supervisory Board member. Based on their respective letters of resignation, Ante Ramljak's term of office as the Supervisory Board chairman was terminated on February 28, 2018, Teo Vujčić's term of office as Supervisory Board member was terminated on April 4, 2018, and Damir Kuštrak's term of office was terminated on April 16, 2018. Hence, the company Supervisory Board has the following members: Matej Lahovnik as deputy chairman; and Vladimir Bošnjak, Ivica Mudrinić, Matjaž Grošelj, Jože Lavrenčič, and Vesna Stojanović as Supervisory Board members.

### **3. Appointment of a certified auditing company for the year 2018**

#### **RESOLUTION PROPOSAL:**

*The auditing company DELOITTE REVIZIJA, d.o.o., Dunajska cesta 165, Ljubljana, shall be appointed as the company auditor for 2018.*

#### **Explanation of the resolution proposal:**

The resolution proposal is based on the Supervisory Board proposal. Pursuant to Article 281 of the Companies Act (ZGD-1), the Supervisory Board shall propose the candidate for the company auditor.

The auditing company proposed for appointment has relevant auditing experience in the fields of activity of the company, and references both in Slovenia and abroad.

#### **4. Information about the resignation and termination of term of office of Supervisory Board members**

RESOLUTION PROPOSAL:

##### *A) Information about the resignation of Supervisory Board members*

*The Shareholders Assembly is informed about the following resignations:*

- *Ante Ramljak as the Supervisory Board Chairman and Supervisory Board member representing shareholder interests, as of February 28, 2018;*
- *Teo Vujčić as the Supervisory Board member representing shareholder interests, as of April 4, 2018;*
- *Damir Kuštrak as the Supervisory Board member representing shareholder interests, effective as of April 16, 2018.*

##### *B) Information about the termination of term of office of Supervisory Board members*

*The Shareholders Assembly shall be informed that on August 29, 2018, the term of office of two Supervisory Board members, Matej Lahovnik and Ivica Mudrinić, shall be terminated.*

#### **Explanation of the resolution proposal:**

Ante Ramljak submitted his letter of resignation from the position of Supervisory Board member on February 28, 2018; Teo Vujčić submitted his letter of resignation from the position of Supervisory Board member on April 4, 2018; Damir Kuštrak submitted his letter of resignation from the position of Supervisory Board member on April 16, 2018; and on August 29, 2018, the term of office of Matej Lahovnik and Ivica Mudrinić will be terminated; therefore, the Shareholders Assembly shall appoint five new Supervisory Board members representing the interests of the shareholders.

#### **5. Appointment of new Supervisory Board members**

RESOLUTION PROPOSALS:

- A) Appointment of a new Supervisory Board member  
*The Shareholders Assembly appoints Fabris Peruško as Supervisory Board member representing the interests of shareholders, for a 4-year term of office commencing with the day of appointment by the Shareholders Assembly.*
- B) Appointment of a new Supervisory Board member  
*The Shareholders Assembly appoints Irena Weber as Supervisory Board member representing the interests of shareholders, for a 4-year term of office commencing with the day of appointment by the Shareholders Assembly.*
- C) Appointment of a new Supervisory Board member  
*The Shareholders Assembly appoints Sergei Volk as Supervisory Board member representing the interests of shareholders, for a 4-year term of office commencing with the day of appointment by the Shareholders Assembly.*

- D) Appointment of a new Supervisory Board member  
*The Shareholders Assembly appoints Matej Lahovnik as Supervisory Board member representing the interests of shareholders, for a 4-year term of office commencing on August 30, 2018.*
- E) Appointment of a new Supervisory Board member  
*The Shareholders Assembly appoints Ivica Mudrinić as Supervisory Board member representing the interests of shareholders, for a 4-year term of office commencing on August 30, 2018.*

**Explanation to the resolution proposal to item 5 A:**

It is proposed to the Shareholders Assembly to appoint Fabris Peruško as Supervisory Board member.

Fabris Peruško is a special authorized management representative of the Agrokor Group. He was appointed to this position by the Commercial Court in Zagreb based on the "Lex Agrokor", following the termination of term of office of the preceding special authorized management representative. Fabris Peruško completed regular studies at the Faculty of Electrical Engineering in Ljubljana in 1998 when he was awarded the title of Bachelor of Science in Electrical Engineering. In 2003, he completed part-time study at the Faculty of Economics in Ljubljana, acquiring the title of Master of Arts in Economics. In 2008, he completed, cum laude, the two-year regular MBA program at the BABSON COLLEGE, F. W. Olin Graduate School of Business, Wellesley, MA, USA. He started his professional career in 2002 at the company Halcom, Ljubljana, where he was the Director of Business Development for Central and Eastern Europe from 2004 to 2006. In the autumn of 2006 and spring of 2007, he participated in the consulting project of the company HIGHLAND CAPITAL PARTNERS, Lexington, MA, USA, a leading US venture capital firm. In the summer of 2007, he became a consultant at the company eCOM ADVISORS, Boston, MA, and Columbus, OH, ZDA, in the Enterprise strategy unit of Fidelity National Information Services. In the autumn of 2007, he was active in investment banking in the boutique investment bank BULGER CAPITAL ADVISORS, Boston, MA, USA. From 2008 to 2013, he was a member of the team at McKinsey & Company, Central and Eastern European Office, dealing with performance transformations and restructuring within TMT, banking, and healthcare industry. From 2013 to 2015, he worked as the director of operations at the company Lamoda.ru, Moscow, Russia, leading global emerging market fashion online retailer covering more than 25 countries globally and backed by investors like Kinnevik, Rocket Internet, Access Industries, Summit Partners, Tengelman Ventures. From 2017 to February 2018, he was a board member and CFO/CRO at the company Tisak d.d., Zagreb, the leading Croatian retailer in kiosk format, whose largest shareholders are Agrokor d.d. (52 %) and British American Tobacco (42 %).

The proposed candidate has provided his consent for candidacy and a written statement declaring that there are no circumstances opposing his appointment pursuant to the provisions of the Companies Act (ZGD-1).

**Explanation to the resolution proposal to item 5 B:**

It is proposed to the Shareholders Assembly to appoint Irena Weber as Supervisory Board member.

Irena Weber was born in 1973. Since last April, she has been an advisor to the special authorized management representative of the Agrokor Group. She holds a Bachelor's degree in economics, graduating at the Faculty of Economics in Zagreb. She also completed three years of studies in physics at the Faculty of Science in Zagreb. She stated her professional career in 1995 as an accountant at the

company Horeka, Zagreb. From 2000 to 2007, she worked at the company CA IB Corporate Finance (UniCredit MIB), initially as assistant in corporate finance, and then as assistant director from 2001. From August 2007 to August 2008, she was a partner and director at the TO ONE Brokeri d.o.o. brokerage house. She was then hired by ADDIKO BANK (HYPO ALPE-ADRIA-BANK), working as the director of Hypo Alpe-Adria-Ulaganje d.o.o. until March 2010, and as corporate manager for corporate banking until August of the same year. In August 2010, she was appointed CFO at the company HYDRO SE; and in April 2011, she was appointed deputy executive director for corporate banking at the ADDIKO BANK. In December 2011, she was appointed executive director of investment banking at the said bank; in September 2014, she was appointed executive director of affluent banking; in February 2015 the executive director of sales management retail; and in March 2016 the executive director of retail sales management and distribution channels. From September 2016 to March 2017, she was a Management Board member at Kentbank.

The proposed candidate has provided her consent for candidacy and a written statement declaring that there are no circumstances opposing her appointment pursuant to the provisions of the Companies Act (ZGD-1).

#### **Explanation of the resolution proposal to item 5 C:**

It is proposed to the Shareholders Assembly to appoint Mr Sergei Volk as Supervisory Board member.

Since 2016, Sergei Volk has worked at the SBERBANK OF RUSSIA – Moscow as a senior banker and managing director. He graduated in electronics engineering, and he holds a Bachelor's degree in finance and management, as well as the title of MBA in finance. From 1999 to 2002, he worked at WILLIAMS ENERGY MARKETING & TRADING; from 2003 to 2005, he was an advisor on energy strategy and finance, which including advising the company RAO UES and the CEO of the System Operator of Russia on the international development strategy, and personally directing the preparation and successful launch of Europe – CIS and Baltic States power grids synchronization project. From 2005 to 2008 he worked as senior coverage officer and director at the Investment Bank in Moscow; from 2008 to 2010 he worked in corporate and investment banking at the VTB CAPITAL & VTB – Moscow. from 2013 to 2015, he worked in London and Moscow, dealing with advisory and business projects in corporate finance, capital raising, energy trading etc., as well as new business project development, including e.g. conference business and distributed power generation.

The proposed candidate has provided his consent for candidacy and a written statement declaring that there are no circumstances opposing his appointment pursuant to the provisions of the Companies Act (ZGD-1).

#### **Explanation of the resolution proposal to item 5 D:**

It is proposed to the Shareholders Assembly to appoint Mr Matej Lahovnik as Company Supervisory Board member.

Matej Lahovnik was born in 1971. He graduated at the Faculty of Economics of the University of Ljubljana. In 2000, he was awarded a PhD title at the same school. He was first employed in 1995 as teaching assistant for the field of management at the Faculty of Economics in Ljubljana. He worked as a teaching assistant until 2001 when he was appointed director of the company LKK d.o.o. From 2001 to 2006, he was employed as associate professor at the Faculty of Economics in Ljubljana. In this period, he was also the Minister of Economy in the government of the Republic of Slovenia from April 22 to December 3, 2004. From 2006 to 2010, he lectured on management as an associate professor at the Faculty of Economics in Ljubljana. From December 2008 to November 2009 he was the head of the negotiation team of the Government of the Republic of Slovenia for an international energy engineering agreement on the South Stream between the Republic of Slovenia and the Russian

Federation, and headed the committees on investment and corporate governance in negotiations with OECD regarding the full membership in this organization. He was the Minister of Economy in the Government of the Republic of Slovenia from November 2008 to July 2010. From October 2010 to 2012, he worked as the associate professor of management at the Faculty of Economics of the University of Ljubljana. As of January 2014, he has been employed as full professor at this school.

The proposed candidate has provided his consent for candidacy and a written statement declaring that there are no circumstances opposing his appointment pursuant to the provisions of the Companies Act (ZGD-1).

#### **Explanation of the resolution proposal to item 5 E:**

It is proposed to the Shareholders Assembly to appoint Ivica Mudrinić as Company Supervisory Board member.

Ivica Mudrinić was born in 1955. He graduated in 1978 at the University of *Toronto*, majoring in electrical engineering. *He started his career at the company Motorola Communications. In 1985, he founded his own company for design and development of interactive terminals, cable TV, and telecommunications.* In the second half of 1991, he was the advisor to the President of the Republic of Croatia. At the end of the year, he was appointed assistant to the Minister of Transport and Communications. From 1992 to 1996, he was a member of the Government of the Republic of Croatia and the Minister of Maritime Affairs, Transport, and Communications. From 1996 to 1998, he was the Chairman of the Board at Croatian National Radio and Television. He was then appointed Director General of the Croatian Postal and Telecommunications Services, with the task of splitting up and founding two separate companies: the Croatian Postal Service for postal services, and the Croatian Telekom - for telecommunications services. From 1999 to late 2013, he was the Management Board President at Croatian Telekom. Ivica Mudrinić is a member of the Engineers Association of the Ontario Province, Canada. He is also a member of the Croatian RIT (Rochester Institute of Technology) Council in Zagreb. From 1994 to 2007, he regularly lectured at the Faculty of Political Science in Zagreb. Ivica Mudrinić was a member of the Board of Directors at the International Academy of Television Arts and Sciences in New York from 1997 to 2014; then, he assumed the function of chairman of the Association of Croatian Employers and the chairman of the Croatian National Board of Competitiveness. He is currently employed at his own company Mudrinić Management Consulting d.o.o.

The proposed candidate has provided his consent for candidacy and a written statement declaring that there are no circumstances opposing his appointment pursuant to the provisions of the Companies Act (ZGD-1).

Resolution to the agenda item 1 is proposed by the Management Board; resolutions to agenda item 2 are proposed by the Management Board and the Supervisory Board; and the resolutions to agenda items 3, 4, and 5 are proposed by the Supervisory Board.

## **II. INFORMATION FOR THE SHAREHOLDERS**

### **Access to Shareholders Assembly Documentation, proposed resolutions including explanations, and information on the Shareholders Assembly**

Documentation, or materials, for the Shareholders Assembly, including resolution proposals and explanations thereto, Annual Report complete with Supervisory Board Report and the statement of corporate governance, and other documents specified in Article 297.a, Paragraph 2, of the Companies Act (ZGD-1), shall be made available to the company shareholders at the company headquarters in Ljubljana, Dunajska cesta 107, ground floor, each business day from the day of announcement of the Shareholders Assembly convocation to the day of the Shareholders Assembly session from 9 a.m. to

12 noon. All documentation referred to above will also be available on the company website at <http://www.mercatorgroup.si>. Convocation of the Shareholders Assembly, explanation of the resolution proposals, and other materials are also published on the website of the Ljubljana Stock Exchange d.d. (<http://seonet.ljse.si>). Information provided in Article 296 of the Companies Act (ZGD-1), Paragraph 3, and detailed information on the rights of the shareholders with regard to submitting any requests for additional agenda items, counter-proposals to proposed resolutions, election/voting proposals, and shareholder rights to information (Article 298, Paragraph 1; Article 300, Paragraph 1; and Articles 301 and 305 of the Companies Act ZGD-1) is published on the company website.

#### **Requests and proposals by the shareholders**

Shareholders whose combined shareholdings amount to one twentieth (five percent) of share capital, may request in writing in seven days 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 adopted with regard to a particular agenda item, shall be attached to the request. 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 by the shareholders no later than seven days after the announcement of 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](mailto:skupscina@mercator.si).

The shareholders may submit, in writing, resolution and election proposals to each item of the agenda. A shareholder proposal will only be announced by the company Management Board in the same way as this convocation, if it is submitted to the company within seven days after the convocation of the Shareholders Assembly, complete with a reasonably justified proposition, along with the statement that the shareholder/proposing party will counter the proposal by the Management or Supervisory Board and that she or he intends to convince other shareholders to vote for her/his proposal. Pursuant to Article 301 of the Companies Act (ZGD-1), the shareholder shall not be required to justify an election proposal. The shareholder's proposal shall be announced and communicated in the way provided by Article 296 of the Companies Act (ZGD-1) only if the shareholder has submitted a reasonably justified proposal within seven days after the announcement of the Shareholders Assembly convocation. The shareholders may also submit the resolution and election proposals to the company by electronic mail, to the address [skupscina@mercator.si](mailto:skupscina@mercator.si).

Requests for additional agenda items and resolution or election/voting proposals submitted by electronic mail shall be sent as a scanned image file attached to the e-mail message. The image file 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 legal 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.

#### **Shareholder's right to information**

Shareholders shall be entitled to raise questions at the Shareholders Assembly and request information on company affairs if such information is required for assessment of agenda items; furthermore, the shareholders may exercise their right to information pursuant to Article 305, Paragraph 1, of the Companies Act (ZGD-1).

#### **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 of June 8, 2018, and who are registered as shareholders in the central register of dematerialized securities as at close of business of June 8, 2018. 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 a.m. 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/authorization shall be submitted to the company in writing. The power of attorney/authorization shall remain in possession of the company. Proxy voting form is available at the company website; it is also freely available at the company headquarters at Ljubljana, Dunajska cesta 107 (ground floor), each workday from the day of announcement of the convocation to the day of the Shareholders Assembly session, from 9 a.m. to 12 noon. The power of attorney/authorization may also be submitted to the company by electronic mail, to the address [skupscina@mercator.si](mailto: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 legal 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/authorization 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 authorization/power of attorney; in addition, statutory representatives shall also be required to present an extract from the judicial or business register.

As at the day of Shareholders Assembly convocation, the company has 6,090,943 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 that do not carry voting rights.

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 convention / 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 3.30 p.m. In case of absence of quorum at such time, the Assembly shall be rescheduled for 4.30 p.m. on the same day at the same place, regardless of the percentage of total share capital represented at the Assembly.

President of the Management Board  
Tomislav Čizmić

Deputy Supervisory Board Chairman  
Matej Lahovnik