

STRICTLY CONFIDENTIAL!

Ljubljana, 13 December 2011

Žiga Debeljak
Management Board President

Melita Kolbezen
Senior Vice President, Strategic Finance and IT

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Slovenia

Meridian Project

Dear Mr. Debeljak, dear Mrs. Kolbezen,

We kindly thank you for your letter dated 30 November 2011 regarding the procedure of potential sale of the majority interest (hereinafter: ***the Transaction***) in the company Poslovni sistem Mercator, d.d. (hereinafter: ***Mercator***). Following is our position with respect to some points made in your writing.

1. Possibility of a due diligence review with disclosure of confidential information

We appreciate your view on the disclosure of confidential information to your main competitor and we are aware of the considerable restrictions in this regard stipulated by the relevant competition protection legislation. In this respect, we hereby inform you that discussions were held with the company JP Morgan on a revised list of required documentation for the due diligence review by the company Agrokor, d.d. (hereinafter: Agrokor). In the view of Agrokor, required information may be disclosed without any harm to or interference with the long-term interests of the company Mercator as all questions related to Mercator operations and performance were struck from the list of required documentation. We furthermore believe that the required documentation would only include the basic information needed for such transaction. As explained below, disclosure of the required documentation would take place simultaneously with the progress of due diligence review by Agrokor partners.

2. Possible alternative solutions to protect the interests of the Mercator Group

As you have been informed, the company Agrokor, supported by renowned international financial institutions IFC, EBRD, and One Equity Partners (hereinafter: ***Agrokor partners***), and Agrokor creditors, is the only potential buyer of Mercator shares, based on the non-binding offer dated 17 October 2011. Agrokor partners intend to provide the financial means to the company Agrokor to carry out the Transaction; after the completion thereof, they also have full intention to actively take part in the management of the company Mercator.

With respect to your writing dated 30 November 2011 in which you stated that you were willing to allow Agrokor partners a full due diligence review, we hereby enclose their standard non-disclosure agreements (NDA) and the two lists of documentation required for the due diligence reviews. We believe that the negotiation procedure would be sped up considerably if the standard non-disclosure

agreements attached herewith were used. Signing of the said agreements would allow Agrokor partners to access documents that would not be disclosed to Agrokor while at the same time allowing Agrokor partners and their creditors to appoint advisers (financial, legal, and business) who would review the required documentation. It should be emphasized that the company Agrokor shall not be informed of the reports of the due diligence reviews carried out by Agrokor partners, without prior review, approval and revision of the confidential information by Mercator. With regard to the due diligence reviews, we would like to add that the company ING received confirmation by the company JP Morgan that IFC would not carry out a due diligence review of the company Mercator and that they would rather rely on the findings of the due diligence review conducted by the company Agrokor.

Moreover, we inform you that the company ING received from the companies EBRD, IFC, and OEP confirmation that the companies Agrokor and JP Morgan would represent them in negotiations and structuring of the transaction. Therefore, you are once again kindly asked to conduct all communication with the company Agrokor and Agrokor partners through our financial adviser, i.e. the company ING.

You are also kindly asked to inform us if you are in a position to prepare the information specified on the lists of documents required for the due diligence review within two or three weeks as proposed in your writing dated 30 November 2011, and to inform us of the date by which information would be disclosed.

3. Potential additional activities of the company Mercator to support the sale process

We believe that our efforts to establish a long-term ownership structure and a favourable strategic position for Mercator are consistent with providing a future for the company in the long run. In this respect, we believe that Mercator Management Board should do anything necessary to support the efforts of the majority shareholders and to mitigate uncertainty for the company.

4. Potential negative effects for the company Mercator if the transaction is not completed

Based on an international call for offers, we believe that Agrokor, supported by its partners, is the best potential long-term shareholder of the company Mercator. However, the progress of the Transaction is hindered by the lack of information that should be provided to Agrokor partners; hence, we kindly ask the company Mercator for their full cooperation. We would also like to kindly reiterate that throughout the Transaction, we are taking every measure necessary to protect the interests of the company Mercator and its stakeholders.

We greatly appreciate the support offered by the company Mercator to its majority shareholders and we hope that together we are able to best serve the long-term interests of the company Mercator and the interests of its stakeholders. For any additional explanations with respect to the points listed above, or any other information, we remain happily at your disposal.

Yours faithfully,

Appendices:

- EBRD, Draft Non-Disclosure Agreement (NDA)
- OEP, Draft Non-Disclosure Agreement (NDA)
- Project Meridian Due Diligence List for Agrokor - 12 December 2011
- Project Meridian Due Diligence List from Agrokor Partners - 12 December 2011

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