



**Materials for the 28th regular General Meeting of
Shareholders of the ISTRABENZ Holding company, d.d.**

April 2019

INFORMATION FOR THE SHAREHOLDERS

1. Total number of shares and voting rights as of the day of the convocation of the General Meeting of Shareholders;

As of the day of the convocation of the General Meeting of Shareholders, the Company holds 5,180,000 ordinary registered no-par-value shares. As provided by law, each share grants to its holder one vote at the General Meeting of Shareholders. As of the day of convocation of the General Meeting of Shareholders, the Istrabenz Holding Company holds 978 own shares with no voting rights.

2. Information on additional items of the agenda;

Shareholders whose total interest accounts for one-twentieth of the subscribed capital may request in writing that an additional item be placed on the agenda. The request must be accompanied in writing by a proposed resolution to be decided upon by the General Meeting of Shareholders or, if the General Meeting of Shareholders will not adopt a resolution on an individual agenda item, an explanation of that item. The request must be sent to the Company within seven days at the latest following the publication of the convocation of the General Meeting of Shareholders.

In line with paragraph 3, Article 298 of the Companies Act (ZGD-1), the Management Board will publish those additional agenda items whose publishing has been requested within seven days at the latest following the publication of this notice to convene the General Meeting of Shareholders.

The shareholders may submit their request to place additional items on the agenda also via e-mail to info@istrabenz.si. The requests to place an additional item on the agenda, sent to the Company via e-mail, have to be scanned, submitted in attachment form and must contain the personal signature of the natural person or, in case of legal persons, the personal signature of the representative and the seal/stamp of that legal person, if applied. The Company has the right to prove the identity of the shareholder or the party that authorised the submitting of the request or the proposal via e-mail, and to verify the authenticity of the signature.

The additional item of the agenda shall be dealt with at the General Meeting of Shareholders only if published in the same manner as the notice of convening the General Meeting of Shareholders, i.e. at least 14 days prior to the meeting. In the opposite case, the additional item of the agenda shall be dealt with at the first subsequent General Meeting of Shareholders. The Management Board shall publish the consolidated version of the agenda in the same manner and within the same period of time as this notice to convene the General Meeting of Shareholders.

3. Information on shareholders' resolution proposals;

Shareholders may submit resolution proposals (i.e. counter proposals) with respect to each item of the agenda. The Management Board shall publish the resolution proposal of a shareholder only if such proposal is sent to the Company within 7 (seven) days from the notice to convene the General Meeting of Shareholders. Such a proposal shall be reasonably argued and the shareholder shall give notification that he will oppose the proposal of the Management Board or the Supervisory Board at the General Meeting of Shareholders, and that he will prevail upon other shareholders to vote for his proposal. The shareholder is not obliged to justify the electoral proposal.

Shareholders may send their resolution proposals and electoral proposal also by e-mail to the following address: info@istrabenz.si. Resolution proposals or electoral proposals to be submitted by e-mail shall be sent in a scanned form, as attachment, and must contain a personal signature of a natural person or, in the case of a legal entity, a personal signature of a representative and a

stamp/seal, if used by such legal entity. The Company is entitled to verify the identity of the shareholder or a person who submits a request or proposal by e-mail, as well as the authenticity of their signatures.

The Management Board shall not publish a shareholder's counter proposal and the justification of it:

- if the publication of the counter proposal would constitute a criminal offence or an economic infringement;
- if the counter proposal would lead to a resolution by the General Meeting of Shareholders that would be in violation of the law or the Articles of Association;
- if the justification of the counter proposal in points of substance contains clearly incorrect or misleading information or insults;
- if a shareholder's counter proposal containing the same content has already been reported to the General Meeting of Shareholders of the Company;
- if during the last five years the same shareholder's counter proposal containing essentially the same justification has already been reported to at least two general meetings of the company and less than one-twentieth of the subscribed capital represented at the General Meeting of Shareholders voted in favour of it;
- if the shareholder makes it known that he will not attend the General Meeting of Shareholders and has not made arrangements to be represented, or
- if during the last two years the shareholder has not presented a counter proposal to the General Meeting of Shareholders which he has reported or has not had it presented.

The justification for a counter proposal need not be reported by the Management Board if it contains more than 3000 characters. The Management Board may report in summary the counter proposals and their justification of several shareholders on the same subject.

The proposals of the shareholders that have not been sent to the Company within 7 (seven) days of the notice of convening the General Meeting of Shareholders and have been submitted no later than at the General Meeting of Shareholders itself, shall be discussed at the General Meeting of Shareholders.

4. Information on shareholder's right to be informed;

At the General Meeting of Shareholders, the Management Board must give the shareholders reliable information on matters concerning the Company where it is important for an assessment of the agenda. The questions of the shareholders with the same content may be answered by the Management Board with one joint answer. The Management Board must give the shareholders also the information in respect of the Company's legal and business relations with affiliated companies where it is important for an assessment of the agenda.

Irrespective of all stated above, the Management Board shall not be obliged to provide data:

- if reasonable business judgement suggests that the provision of information could cause damage to the Company or an affiliated Company;
- on the method of compiling the balance sheet and on making estimates, if stating these methods in a supplement is sufficient for an assessment of the property and the financial and profit position of the Company which conforms with the actual circumstances; or
- if disclosure of the information would constitute a criminal offence or an economic infringement or would be in breach of good business practices;
- if the information is published in form of questions and answers on the Company's web page at least seven days prior to the session of the General Meeting of Shareholders.

If a shareholder is given information outside a session of the General Meeting of Shareholders, that information must be passed on to every other shareholder upon request even if it is not necessary for an assessment of an item on the agenda.

If a shareholder is not given the requested information at the General Meeting of Shareholders, he may require that his/her question and the reason why the information was refused be entered in the record.

5. Conditions for participation at the General Meeting of Shareholders and the exercising of voting rights;

Only those shareholders who have registered for the General Meeting of Shareholders and whose application has been received by the Management Board at least by the end of the fourth day prior to the meeting, i.e. by 13 May 2019 inclusive, and who are entered as holders of the shares in the Central Book-Entry Securities Register as of the end of 13 May 2019, shall be entitled to participate and exercise their voting rights at the General Meeting of Shareholders. The application, i.e. "Registration of participation" form, shall be sent by post to the following address: ISTRABENZ d.d., Secretariat of the Management Board, Obala 33, Portorož. Applications cannot be sent through electronic media. The Company will consider valid only the registration forms undersigned with original signatures of the shareholders or their proxies. The registration forms are available on the Company's website and shareholders can obtain them free of charge from the Secretariat of the Management Board of the Company in Portorož, Obala 33, every working day from 9 a.m. to 12 a.m., from the day the notice of convening the General Meeting of Shareholders is published up until and including the day it is held.

Each shareholder entitled to participate at the General Meeting of Shareholders has the right to authorise a natural or legal person to exercise the voting right on his/her behalf. The written authorisation must be sent to the Company and shall be kept by the Company. The registration form for exercising the voting right through an authorised representative is available on the Company's website and can also be obtained free of charge at the Secretariat of the Management Board of the Company in Portorož, Obala 33, every working day from 9 a.m. to 12 a.m., from the day the notice of convening the General Meeting of Shareholders is published up until and including the day it is held (in such a case, the shareholder has to announce his arrival to the Secretariat). The shareholders can send the authorisation to the Company also by e-mail, to the e-mail address info@istrabenz.si. The authorisation which is sent via e-mail has to be in a scanned form as attachment, and must contain the date, a personal signature of the natural person, or, in the case of legal entity, a personal signature of a representative and a stamp/seal if used by such a legal entity. The Company is entitled to verify the identity of a shareholder or a person who submits the power of attorney by e-mail, as well as the authenticity of their signatures. A shareholder is entitled to revoke the power of attorney as when submitting it, at any time before the day of the General Meeting of Shareholders.

Upon request, shareholders and/or their representatives or proxies must produce a personal identity document and written representation; a statutory representative must also produce an Extract from the Companies' Register.

The shareholders are kindly asked to come to the General Meeting of Shareholders an hour prior to the commencement of the meeting so that a record of their attendance may be established and preparation for voting carried out.



To the General Meeting of Shareholders of
the ISTRABENZ Holding Company, d.d.

**ITEM 1 OF THE AGENDA
FOR THE 28th REGULAR GENERAL MEETING OF
SHAREHOLDERS**

**OPENING OF THE GENERAL MEETING OF SHAREHOLDERS AND THE ELECTION OF ITS
WORKING BODIES**

The Management Board hereby proposes to the General Meeting of Shareholders to adopt the following resolution:

The following are elected:

- **Chairman of the General Meeting of Shareholders: Stojan Zdolšek;**
- **the Credentials Committee, composed of:**
 - **Chairman: Robert Ernestl,**
 - **Vote Counters: Klavdija Primožič, Sonja Long.**

The meeting will be attended by the invited notary public Mojca Tavčar Pasar.

Arguments for the proposal:

The Management Board is authorised and responsible for proposing to the General Meeting of Shareholders the appointment of the General Meeting's bodies, i.e. the Chairman of the General Meeting of Shareholders and two vote counters, and to provide that the General Meeting of Shareholders is attended by a notary public.

Andrej Laznik
President of the Management Board
of the ISTRABENZ Holding Company, d.d.

**To the General Meeting of Shareholders of
the ISTRABENZ Holding Company, d.d.**

**ITEM 2 OF THE AGENDA
FOR THE 28th REGULAR GENERAL MEETING OF
SHAREHOLDERS**

**PRESENTATION OF THE ANNUAL REPORT OF THE ISTRABENZ HOLDING COMPANY, D.D.
AND THE ISTRABENZ GROUP FOR 2018 WITH AUDITOR'S OPINIONS AND THE WRITTEN
REPORT OF THE SUPERVISORY BOARD ON THE EXAMINATION AND APPROVAL OF THE
ANNUAL REPORT, INFORMATION ON THE REMUNERATION OF THE MANAGEMENT- AND
SUPERVISORY BOARD AND GRANTING OF DISCHARGE FROM LIABILITY**

The Management Board and the Supervisory Board hereby propose to the General Meeting of Shareholders to adopt the following resolution:

- a) The General Meeting of Shareholders grants discharge from liability to the Company's Management Board composed of Andrej Laznik as President, for the period from 1 January 2018 to 31 December 2018.**

- b) The General Meeting of Shareholders grants discharge from liability to the Company's Supervisory Board composed of Milan Marinič, Desanka Katić, Janko Gedrih and Denis Tavčar, MSc., for the period from 1 January 2018 to 31 December 2018.**

Arguments for the proposal

Pursuant to Article 294 of the Companies Act (ZGD-1), the General Meeting of Shareholders shall decide on the granting of a discharge from liability to the members of the Company's Management Board and Supervisory board. According to legal provisions, during the discussion on the granting of a discharge, the Management Board shall present to the General Meeting also the Annual Report and the Supervisory Board's report on their approval of the Annual Report. The above stated Article also determines that the Management Board shall inform the General Meeting on the remuneration received by members of the management and supervisory bodies for their work in the Company and in Company's subsidiaries in the last financial year. This information shall be disclosed also in the notes to financial statements.

Taking into account the above-mentioned, the General Meeting will discuss and present, in the scope of the same agenda item and before discussing and deciding on the granting of a discharge, the Annual Report for 2018 and the Supervisory Board's report on their approval of the Annual Report for

2018. The Management Board will inform the General Meeting on the remuneration received by the members of the management and supervisory bodies for their work in the Company in the financial year 2018. As the above-mentioned subjects are related, it is reasonable to discuss them at the same time.

Accumulated loss of the ISTRABENZ Holding Company, d.d. for the financial year 2018 totals 50,050,819.32 euros and is formed by 3,725,098.45 euros of net loss of the financial year 2018 and by uncovered loss from previous years amounting to 46,325,720.87 euros.

By the resolution proposal regarding the granting of a discharge from liability, it is proposed to the General Meeting to confirm and approve the work of the Management Board and the Supervisory Board in the financial year 2018. Pursuant to the recommendation of the Corporate Governance Code for Listed Companies, this proposal shall be voted on separately for the Management Board and the Supervisory Board.

In the business year 2018, the Company was managed by the Management Board composed of Andrej Laznik as President of the Management Board.

In the business year 2017, the Company's Supervisory Board was composed of:

- Milan Marinič as President,
- Desanka Katić as Deputy President,
- Janko Gedrih as Member, and
- Denis Tavčar, MSc. as Member.

Andrej Laznik
President of the Management Board
of the ISTRABENZ Holding Company, d.d.

Milan Marinič
President of the Supervisory Board
of the ISTRABENZ Holding Company, d.d.

Attachments to the item 2 of the agenda:

- Annual Report of the ISTRABENZ Holding Company, d.d. and the ISTRABENZ GROUP for 2018, together with the Report of the Supervisory Board for 2018 is available at the link <http://www.istrabenz.si/eng/investors/annualandinterimreports>



**To the General Meeting of Shareholders of
the ISTRABENZ Holding Company, d.d.**

**ITEM 3 OF THE AGENDA
FOR THE 28th REGULAR GENERAL MEETING OF
SHAREHOLDERS**

**APPOINTMENT OF THE COMPANY'S AUDITOR FOR THE FINANCIAL YEARS 2019, 2020
AND 2021**

The Supervisory Board hereby proposes to the General Meeting of Shareholders to adopt the following resolution:

The General Meeting of Shareholders appoints the auditing company DELOITTE REVIZIJA d.o.o., Dunajska cesta 165, Ljubljana as auditor of the Company for the financial years 2019, 2020 and 2021.

Arguments for the proposal

In 2019, the company ISTRABENZ, d.d. invited the company DELOITTE REVIZIJA d.o.o., Dunajska cesta 165, Ljubljana to submit its bid for the auditing of the financial statements for 2019, 2020 and 2021.

On 28 December 2018, Act amending the Auditing Act was published in the Official Gazette of the Republic of Slovenia No. 84/18, which came into force on 12 January 2019. Pursuant to Article 47 (para. 5) of the Act amending the Auditing Act, the contract on audit services referring to singular and consolidated financial statements, if required by the law, shall be executed for a period of at least three years.

The audit company DELOITTE REVIZIJA d.o.o. audited the individual- and the group financial statements of the company ISTRABENZ, d.d. already for the financial years 2014, 2015, 2016, 2017 and 2018.

The company DELOITTE was established in Slovenia in 1993 and has a reputation of the leading company in the segment of auditing and consulting services in the country. It is a member of the international DELOITTE Group which boasts an experienced team of experts specialised in the audit of companies operating in the tourism-, energy- and IT sector.

Among the company's larger clients in Slovenia are Sava Group, Gorenje Group, Mercator Group, OMV, Petrol d.d., Luka Koper, HSE Group and others.

According to the recommendation 25.3 of the Slovene Corporate Governance Code for Listed Companies, which was adopted on 27 October 2016 and came into force on 1 January 2017, it is recommended that the company changes its auditing company at least every seven years.

Due to the amendments to the Auditing Act, the replacement of the audit company DELOITTE REVIZIJA d.o.o. is only envisaged after the eighth year of audit.

The contract for the provision of audit services for the years 2019-2021, to be executed with the company DELOITTE REVIZIJA d.o.o., Dunajska cesta 165, Ljubljana, shall be signed by the president of the supervisory board.

Milan Marinič
President of the Supervisory Board
of the ISTRABENZ Holding Company, d.d.