



**NOTARY PUBLIC NADA KUMAR**

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**NOTARIAL RECORD OF PROCEEDINGS**

compiled by the undersigned Notary Public Nada Kumar on this June 5, 2019 (fifth of June, two thousand nineteen) at the 26th (twenty-sixth) regular general meeting (Shareholders Assembly) of the company

**POSLOVNI SISTEM MERCATOR d.d.**

**Dunajska cesta 107 (one hundred and seven), 1000 (one thousand) Ljubljana,**

held at 3.30 p.m. (three hours thirty minutes in the afternoon) at the company headquarters in Ljubljana, Dunajska cesta 107 (one hundred and seven)

**Persons present:**

1. Shareholders as per the list of shareholders or their proxies
2. President of the Management Board Tomislav Čizmić, Management Board member Igor Mamuza, Management Board member Draga Cukjati, Management Board member Gregor Planteu
3. Undersigned Notary Public

**Agenda:**

1. (one) Opening of the Shareholders Assembly and election of the Assembly Chairperson
2. (two) Presentation of Annual Report and the Supervisory Board's Report on the results of Annual Report review and audit for the 2018 (two thousand eighteen) fiscal year; information on the compensation and rewards of the members of managerial and supervisory bodies; information on the Supervisory Board assessment procedure; and granting discharge from liability to the company Supervisory Board and Management Board.
3. (three) Information about the resignation of Supervisory Board members, and appointment of new Supervisory Board members
4. (four) Change to the company Articles of Association
5. (five) Appointment of a certified auditing company for the year 2019 (two thousand nineteen)

**Ad 1 (one): Opening of the Shareholders Assembly and appointment of the Shareholders Assembly chairperson**

With the power of attorney by the Management Board, attorney at law Pavle Pensa opened the session and greeted everyone in attendance.

The Management Board's attorney explained that the session was also attended by the invited Notary Public Mrs Nada Kumar from Ljubljana.

The Management Board's attorney announced that the Assembly convocation was published on May 03, 2019 (third of May, two thousand nineteen) in the Delo daily paper, on the company website, and on the SeoNet website of the Ljubljana Stock Exchange. Amendment to the agenda, submitted by the shareholder AGROKOR d.d., holder of 4,237,376 (four million two hundred and thirty-seven thousand three hundred seventy-six) company shares representing 69.5680 (sixty-nine point five six eight zero) percent of the total company share capital, which included two additional agenda items, was announced on May 16, 2019 (sixteenth of May two thousand nineteen) in the Delo daily paper, on the company website, and on the website of the Ljubljana Stock Exchange SEOnet. Proof of convocation and announcement of the amendment to the agenda are enclosed as Appendices to this Notarial Record of Proceedings.

The Management Board's attorney then read the agenda of the Shareholders Assembly taking place that day, as follows:

1. (one) Opening of the Shareholders Assembly and election of the Assembly Chairperson
2. (two) Presentation of Annual Report and the Supervisory Board's Report on the results of Annual Report review and audit for the 2018 (two thousand eighteen) fiscal year; information on the compensation and rewards of the members of managerial and supervisory bodies; information on the Supervisory Board assessment procedure; and granting discharge from liability to the company Supervisory Board and Management Board.
- 3 (three) Information about the resignation of Supervisory Board members, and appointment of new Supervisory Board members
- 4 (four) Change to the company Articles of Association
- 5 (five) Appointment of a certified auditing company for the year 2019 (two thousand nineteen)

Management Board's attorney also declares that the company expense related to organized collection of proxy voting authorizations for the Shareholders Assembly at hand was EUR 1,772.81 (one thousand seven hundred seventy-two point eight one euros) (including VAT).

The Management Board attorney then invites the shareholders or their proxies to vote on the following proposal:

**RESOLUTION No. 1 (one):**

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

After the public vote, the Management Board's attorney found the following:

- votes representing 5,794,383 (five million seven hundred ninety-four thousand three hundred eighty-three) shares were validly cast, representing 95.131 (ninety-five point one three one) percent of the company share capital;
- of the 5,794,383 (five million seven hundred ninety-four thousand three hundred eighty-three) valid votes cast, 5,794,367 (five million seven hundred ninety-four thousand three hundred sixty-seven) or 100.000 (one hundred) percent of the votes were in favour of (FOR) the resolution; 16 (sixteen) votes, or 0.000 (zero point zero zero zero) percent of the votes cast, were AGAINST the resolution; and 0 (zero) votes ABSTAINED from voting.

The Management Board's attorney found that the resolution was adopted and he declared it.

The session continued, presided by the Shareholders Assembly chairman Pavle Pensa, attorney at law.

The Shareholders Assembly chairman found there were a total of 6,090,943 (six million ninety thousand nine hundred forty-three) company shares; that there were 6,048,751 (six million forty-eight thousand seven hundred fifty-one) shares bearing voting right for the Shareholders Assembly taking place on that day; and that there were 5,794,383 (five million seven hundred ninety-four thousand three hundred eighty-three) shares bearing voting right present at the Shareholders Assembly, accounting for 95.79 (ninety-five point seven nine) percent of all shares bearing voting right or votes, and that there was quorum at the Assembly and the Shareholders Assembly could therefore deliberate and make decisions with respect to all agenda items.

The Shareholders Assembly Chairman signed the list of shareholders or their proxies present and presented it to all attendants of the Shareholders Assembly. The list is enclosed with this Notarial Record of Proceedings as an Appendix.

**Ad 2 (two): Presentation of Annual Report and the Supervisory Board's Report on the results of Annual Report review and audit for the 2018 (two thousand eighteen) fiscal year; information on the compensation and rewards of the members of managerial and supervisory bodies; information on the Supervisory Board assessment procedure; and granting discharge from liability to the company Supervisory Board and Management Board**

In this agenda item, Management Board President Tomislav Čizmić presented the Annual Report and company performance and operations in the previous fiscal year.

Then, the Shareholders Assembly Chairman presented the report on Supervisory Board's work in the preceding business year.

The Shareholders Assembly Chairman explained that the compensation paid to members of managerial and supervisory bodies in the 2018 (two thousand eighteen) fiscal year were disclosed in the Annual Report on pages 186 (one hundred and eighty-six) to 187 (one hundred eighty-seven), and opened the discussion.

There was no discussion.

**A) Granting discharge from liability to the company Supervisory Board for the fiscal year 2018 (two thousand eighteen)**

The Shareholders Assembly Chairman invited the shareholders or their proxies to vote on the following proposal:

**RESOLUTION No. 2 (two)A:**

*The Shareholders Assembly confirms and approves of the work of the company Supervisory Board for the fiscal year 2018 (two thousand eighteen), and hereby grants discharge from liability to the Supervisory Board.*

After the public vote, the Shareholders Assembly Chairman found the following:

- votes representing 5,370,267 (five million three hundred seventy thousand two hundred sixty-seven) shares were validly cast, representing 88.168 (eighty-eight point one six eight) percent of the company share capital;
- of the 5,370,267 (five million three hundred seventy thousand two hundred sixty-seven) valid votes cast, 5,370,266 (five million three hundred seventy thousand two hundred sixty-

six) or 100.000 (one hundred) percent of the votes were in favour of (FOR) the resolution; 1 (one) vote, or 0.000 (zero point zero zero zero) percent of the votes cast, was AGAINST the resolution; and 424,116 (four hundred twenty-four thousand one hundred sixteen) votes ABSTAINED from voting. The Shareholders Assembly Chairman found that the resolution was adopted and he declared it.

**B) Granting discharge from liability to the company Management Board for the fiscal year 2018 (two thousand eighteen)**

The Shareholders Assembly Chairman invited the shareholders or their proxies to vote on the following proposal:

**RESOLUTION No. 2 (two)B:**

*The Shareholders Assembly confirms and approves of the work of the company Management Board for the fiscal year 2018 (two thousand eighteen), and hereby grants discharge from liability to the Management Board.*

After the public vote, the Shareholders Assembly Chairman found the following:

- votes representing 5,794,383 (five million seven hundred ninety-four thousand three hundred eighty-three) shares were validly cast, representing 95.131 (ninety-five point one three one) percent of the company share capital;
- of the 5,794,383 (five million seven hundred ninety-four thousand three hundred eighty-three) valid votes cast, 5,794,382 (five million seven hundred ninety-four thousand three hundred eighty-two) or 100.000 (one hundred) percent of the votes were in favour of (FOR) the resolution; 1 (one) vote, or 0.000 (zero point zero zero zero) percent of the votes cast, was AGAINST the resolution; and 0 (zero) votes ABSTAINED from voting.

The Shareholders Assembly Chairman found that the resolution was adopted and he declared it.

**Ad 3 (three): Information about the resignation of Supervisory Board members, and appointment of new Supervisory Board members**

The Shareholders Assembly Chairman notes that this item was added to the agenda of the previously convened Shareholders Assembly upon proposal by the shareholder AGROKOR d.d.

The Shareholders Assembly Chairman presents the two proposed Supervisory Board candidates.

The Shareholders Assembly Chairman invited the shareholders or their proxies to vote on the following proposal:

**RESOLUTION 3.1:**

*The Shareholders Assembly shall be informed that on May 10, 2019 (tenth of May, two thousand nineteen), Irena Weber resigned from the position of Supervisory Board member, and her term of office shall therefore be terminated as of June 05, 2019 (fifth of June, two thousand nineteen).*

After the public vote, the Shareholders Assembly Chairman found the following:

- votes representing 5,794,383 (five million seven hundred ninety-four thousand three hundred eighty-three) shares were validly cast, representing 95.131 (ninety-five point one three one) percent of the company share capital;
- of the 5,794,383 (five million seven hundred ninety-four thousand three hundred eighty-three) valid votes cast, 5,794,383 (five million seven hundred ninety-four thousand three hundred eighty-three) or 100 (one hundred) percent of the votes were in favour of (FOR) the resolution; 0 (zero) votes were AGAINST the resolution; and zero votes ABSTAINED from voting.

The Shareholders Assembly Chairman found that the resolution was adopted and he declared it.

The Shareholders Assembly Chairman then invited the shareholders or their proxies to vote on the following proposal:

**RESOLUTION 3.2:**

*3.2. The Shareholders Assembly shall be informed that on May 10, 2019 (tenth of May, two thousand nineteen), Vladimir Bošnjak resigned from the position of Supervisory Board member, and his term of office shall therefore be terminated as of June 05, 2019 (fifth of June, two thousand nineteen).*

After the public vote, the Shareholders Assembly Chairman found the following:

- votes representing 5,794,383 (five million seven hundred ninety-four thousand three hundred eighty-three) shares were validly cast, representing 95.131 (ninety-five point one three one) percent of the company share capital;
- of the 5,794,383 (five million seven hundred ninety-four thousand three hundred eighty-three) valid votes cast, 5,794,383 (five million seven hundred ninety-four thousand three hundred eighty-three) or 100 (one hundred) percent of the votes were in favour of (FOR) the resolution; 0 (zero) votes were AGAINST the resolution; and zero votes ABSTAINED from voting.

The Shareholders Assembly Chairman found that the resolution was adopted and he declared it.

The Shareholders Assembly Chairman then invited the shareholders or their proxies to vote on the following proposal:

**RESOLUTION 3.3:**

*The Shareholders Assembly shall appoint Miodrag Borojević as Supervisory Board member for a four-year term of office starting on June 05, 2019 (fifth of June, two thousand nineteen).*

After the public vote, the Shareholders Assembly Chairman found the following:

- votes representing 5,794,383 (five million seven hundred ninety-four thousand three hundred eighty-three) shares were validly cast, representing 95.131 (ninety-five point one three one) percent of the company share capital;
- of the 5,794,383 (five million seven hundred ninety-four thousand three hundred eighty-three) valid votes cast, 5,794,377 (five million seven hundred ninety-four thousand three hundred seventy-seven) or 100.000 (one hundred) percent of the votes were in favour of (FOR) the resolution; 6 (six) votes, or 0.000 (zero point zero zero zero) percent of the votes cast, were AGAINST the resolution; and zero votes ABSTAINED from voting.

The Shareholders Assembly Chairman found that the resolution was adopted and he declared it.

The Shareholders Assembly Chairman then invited the shareholders or their proxies to vote on the following proposal:

**RESOLUTION 3.4:**

*The Shareholders Assembly shall appoint Paul Michael Foley as Supervisory Board member for a four-year term of office starting on June 05, 2019 (two thousand nineteen).*

After the public vote, the Shareholders Assembly Chairman found the following:

- votes representing 5,772,858 (five million seven hundred seventy-two thousand eight hundred fifty-eight) shares were validly cast, representing 94.778 (ninety-four point seven seven eight) percent of the company share capital;
- of the 5,772,858 (five million seven hundred seventy-two thousand eight hundred fifty-eight) valid votes cast, 5,772,853 (five million seven hundred seventy-two thousand eight hundred fifty-three) or 100.000 (one hundred) percent of the votes were in favour of (FOR) the resolution; 5 (five) votes, or 0.000 (zero point zero zero zero) percent of the votes cast, were AGAINST the resolution; and 21,525 (twenty-one thousand five hundred twenty-five) votes ABSTAINED from voting.

The Shareholders Assembly Chairman found that the resolution was adopted and he declared it.

**Ad 4 (four): Change to the company Articles of Association**

The Shareholders Assembly Chairman notes that this item was added to the agenda of the previously convened Shareholders Assembly upon proposal by the shareholder AGROKOR d.d.

The Shareholders Assembly Chairman then invited the shareholders or their proxies to vote on the following proposal:

**RESOLUTION:**

*In Article 36 (thirty-six), Section 1 (one), list item 11 (eleven) of the Articles of Association of the company Poslovni sistem Mercator d.d., the full stop at the end of the sentence shall be replaced with a semi-colon, and the following wording shall be added: "[...] however, the Supervisory Board may specify, by adopting a relevant resolution, a lower value of property or asset for which Supervisory Board consent shall be required."*

After the public vote, the Shareholders Assembly Chairman found the following:

- votes representing 5,794,383 (five million seven hundred ninety-four thousand three hundred eighty-three) shares were validly cast, representing 95.131 (ninety-five point one three one) percent of the company share capital;
- of the 5,794,383 (five million seven hundred ninety-four thousand three hundred eighty-three) valid votes cast, 5,794,260 (five million seven hundred ninety-four thousand two hundred sixty) or 99.998 (ninety-nine point nine nine eight) percent of the votes were in favour of (FOR) the resolution; 123 (one hundred twenty-three) votes, or 0.002 (zero point zero zero two) percent of the votes cast, were AGAINST the resolution; and 0 (zero) votes ABSTAINED from voting.

The Shareholders Assembly Chairman found that the resolution was adopted and he declared it.

**5 (five) Appointment of a certified auditing company for the year 2019 (two thousand nineteen)**

The Shareholders Assembly Chairman explains that the company has received a counter-proposal to the proposed proposal to be adopted at this agenda item from OTP Banka d.d. – client account-fiduci and Zagrebačka banka d.d. – fiduciary account, who are the fiduciaries for the company Allianz ZB d.o.o., a fund management company – company shareholders. The counterproposal is attached to this notarial record of proceedings as an appendix, and its wording is as follows:

"Certified auditing company PricewaterhouseCoopers d.o.o., Ljubljana, shall be appointed the company auditor."

After a discussion, the Shareholders Assembly Chairman first invites the shareholders to vote on the following counterproposal:

**RESOLUTION:**

*The certified auditing company PricewaterhouseCoopers d.o.o., Ljubljana, shall be appointed as the company auditor.*

After the public vote, the Shareholders Assembly Chairman found the following:

- votes representing 4,665,437 (four million six hundred sixty-five thousand four hundred thirty-seven) shares were validly cast, representing 76.596 (seventy-six point five nine six) percent of the company share capital;
- of the 4,665,437 (four million six hundred sixty-five thousand four hundred thirty-seven) valid votes cast, 4,665,337 (four million six hundred sixty-five thousand three hundred thirty-seven) or 99.998 (ninety-nine point nine nine eight) percent of the votes were in favour of (FOR) the resolution; 100 (one hundred) votes, or 0.002 (zero point zero zero two) percent of the votes cast, were AGAINST the resolution; and 1,128,946 (one million one hundred twenty-eight thousand nine hundred forty-six) votes ABSTAINED from voting.

The Shareholders Assembly Chairman found that the resolution was adopted and he declared it.

The Shareholders Assembly Chairman also informs the Shareholders Assembly that on May 20, 2019 (twentieth of May, two thousand nineteen), the four-year term of office of Matjaž Grošelj, worker representative in the Supervisory Board, expired, and therefore, the Works Council appointed Veljko Tatić as a new Supervisory Board member whose term of office started on May 21, 2019 (twenty-first of May, two thousand nineteen).

The session was completed at 4.40 p.m. (four hours and forty minutes in the afternoon).

Thereafter, these minutes were compiled.

I, the Notary Public, confirm by my signature and seal the minutes and the resolutions of the Shareholders Assembly, all of which have been adopted with the wording and contents as stated above, and which the Shareholders Assembly Chairman Pavle Pensa, attorney at law, personally known to the Notary Public, signed after having read and approved it.

Appendices:

- List of shareholders or their proxies present
- Management Board resolution on Shareholders Assembly convocation
- Announcement of the convocation
- Announcement of additional agenda item and consolidated text of the agenda
- Resolution counter-proposal
- Power of attorney

Ljubljana, on this June 5, 2019 (fifth of June, two thousand nineteen)

Signature of the Shareholders Assembly

Signature and seal of the notary public:

Chairman:

Pavle Pensa, attorney at law