



Mercator

The Management Board of the company POSLOVNI SISTEM MERCATOR d.d. hereby **CANCELS** the 28th regular Shareholders Assembly of the company POSLOVNI SISTEM MERCATOR d.d., convened to take place on July 23, 2021, at 3.30 p.m., at the company seat in Ljubljana, Dunajska cesta 107, 1000 Ljubljana, **and reconvenes the Shareholders Assembly for a later date, to take place on July 26, 2021, at 3.30 p.m., at the company seat; therefore, the convocation of the 28th regular Shareholders Assembly of the company POSLOVNI SISTEM MERCATOR d.d. shall have the following wording:**

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), and the Rules and Regulations of the Ljubljana Stock Exchange (Ljubljanska borza d.d.), the Management Board hereby convenes the

**28th regular Shareholders Assembly,
to take place on July 26, 2021, 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 2020 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 2020

The Shareholders Assembly confirms and approves of the work of the company Supervisory Board for the fiscal year 2020, and hereby grants discharge from liability to the Supervisory Board.

- B) Granting discharge from liability to the company Management Board for the fiscal year 2020
The Shareholders Assembly confirms and approves of the work of the company Management Board for the fiscal year 2020, and hereby grants discharge from liability to the Management Board.

Explanation of the resolution proposals:

In 2020, the Supervisory Board of the company Poslovni sistem Mercator d.d. supervised the operations of the Mercator Group and the company Poslovni sistem Mercator d.d. within the powers and authorizations specified by the relevant legislation and the company Articles of Association. Pursuant to the provisions of Article 282 of the Companies Act (ZGD-1), the Supervisory Board compiled a Report by the Supervisory Board of the Company Poslovni sistem Mercator d.d., which is intended for the Shareholders Assembly. At its regular session held on April 22, 2021, the Supervisory Board adopted the Annual Report of the Mercator Group and the company Poslovni sistem Mercator d.d. for the year 2020. The Annual Report also discloses total compensation paid to members of managerial and supervisory bodies.

Since the company Poslovni sistem Mercator d.d. did not generate profit in 2020, the Shareholders Assembly shall not make any decisions with regard to allocation thereof. The Shareholders Assembly shall be informed that in 2020, net loss for the fiscal year amounted to EUR 55,420 thousand. The company proposes not to offset the distributable loss in the amount of EUR 55,420 thousand.

The net loss of the company Poslovni sistem Mercator d.d. for the fiscal year, amounting to EUR 55,420 thousand, resulted in particular from the impairment of investments into subsidiaries in the amount of EUR 34,928 thousand, and real estate revaluation in the amount of EUR 17,084 thousand. Adjusting for the impairment of investments, the company Poslovni sistem Mercator d.d. would have generated in the year 2020 a loss in the amount of EUR 3,408 thousand. In 2020, the company's sales revenue amounted to EUR 1,256,133 thousand, which is 2.1% more than in 2019. Revenue in retail, which is the company's core activity, increased by 5.1%. Improvement of performance is a result of the Value Creation Plan initiatives and successful execution of our business strategy.

No changes took place in the Supervisory Board membership in the course of the year 2020.

3. Changes to the company Articles of Association

RESOLUTION PROPOSAL:

The following changes and amendments to the Articles of Association of the joint-stock company Poslovni sistem Mercator d.d. shall be adopted:

- A) Changes of company activity

Article 11 of the Articles of Association shall be amended in such way that:

- 35.140 Trade of electricity shall be added as an activity,
- and the following activities shall be struck:

64.190 – Other monetary intermediation
64.300 – Trusts, funds and similar financial entities
66.110 – Administration of financial markets
66.120 – Security and commodity contracts brokerage
66.300 – Fund management activities
69.101 – Legal representation

B) Change to Article 16, Paragraph 2 of the Articles of Association

The wording of Article 16, Paragraph 2, shall be changed to the following wording:

The Assembly may be attended and voted at only by those shareholders who register their attendance no later than at the end of the fourth day before the Shareholders Assembly, and who are entered as shareholders in the central register of dematerialized securities as at the end of the seventh day before the Assembly.

C) Change to Article 18 of the Articles of Association

Article 18 of the Articles of Association shall be amended in such way that three new paragraphs shall be added after Paragraph 3, with the following wording:

The party convening the Shareholders Assembly may specify in the convocation thereof that the shareholders may attend the Assembly and vote before the Assembly or at the Assembly by using electronic means, without their physical presence (electronic Assembly/general meeting).

If an electronic Assembly is held, then the following rules shall be observed in particular:

- *the technical solution for the electronic Assembly shall enable the broadcast of video (image) and sound of the entire Assembly;*
- *the company shall provide suitable conditions and method for establishing the identity of the shareholders or their proxies, and for safe electronic communication, in a way that does not make participation difficult for the shareholders due to disproportionate requirements;*
- *the technical solution should enable the shareholders to vote on Assembly proposals, raise questions, hold a discussion, send counterproposals or propose additional agenda items, announcing intent to challenge resolutions, and other corporate actions related to a Shareholders Assembly/General Meeting;*
- *the technical solution shall ensure safe electronic communication;*
- *required publicity shall be provided with regard to the electronic Assembly, with adequate notification in the Shareholders Assembly convocation.*

The company Management Board shall be authorized to specify in further detail the rules of the procedure for participation and voting at the electronic Assembly, and other

aspects of the execution of the electronic Assembly, and disclose such rules on the company website.

Explanation of the resolution proposal:

The need has arisen at the company to register an additional activity and to strike some activities; to allow by means of a statutory change (amendment of the Articles of Association) for the shareholders to attend the Assembly and vote at it by electronic means (electronic Assembly); and the change in Article 16 is merely intended for compliance with the Companies Act.

Resolution under agenda item 1 is proposed by the Management Board; resolutions under agenda items 2 and 3 are proposed by the Management Board and 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 2 p.m. All documentation referred to above shall 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 (Ljubljanska borza d.d.) (<http://seonet.ljse.si>) and the AJPES (Agency of the Republic of Slovenia for Public Legal Records and Related Services) website (<http://ajpes.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, counterproposals 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.

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 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.

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 are entered as shareholders in the central register of dematerialized securities as at **the end of the seventh day** before the Assembly session, i.e. on **July 19, 2021** (cut-off day), and who have registered their attendance at the Assembly in writing in such way that the **Management Board receives the application** no later than **by the end of the fourth day** before the Assembly session, i.e. on **July 22, 2021**. The application shall be submitted **by regular mail** to the address **Mercator, d.d., Dunajska cesta 107, 1000 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 2 p.m.

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 2 p.m. The power of attorney/authorization 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 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.

Processing of personal data submitted upon registration for the Shareholders Assembly, or by proxy, complete with data from the share register, is inevitably necessary for the organization and execution of the Shareholders Assembly. The company or its contractor providing technical and organizational aspects of the Shareholders Assembly shall process the personal data in compliance with the effective legislation on personal data protection.

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 which do not carry voting rights.

The shareholders are kindly asked to consistently comply upon arrival to the Assembly with all measures intended to reduce the risk of an infection with COVID-19, in accordance with the then relevant regulations

and recommendations by the National Institute of Public Health (NIJZ), and to register in the reception office of the Shareholders Assembly 30 minutes before the start of the session, where they will confirm their presence and claim their voting devices by signing the list of present shareholders. The room 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