



# Mercator

## DOCUMENTATION

for the 30<sup>th</sup> extraordinary Shareholders Assembly (general meeting of shareholders) of the company Mercator, d.d.

November 2021

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2. Main shareholder's report on minority shareholders squeeze-out
3. Report by independent auditor PIT Leitner, revizijska družba, d.o.o., on appropriateness of cash consideration to be paid out to minority shareholders
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**Materials pertaining to item one of the agenda**

**OPENING OF THE ASSEMBLY, VERIFYING QUORUM, ELECTION OF THE SHAREHOLDERS ASSEMBLY BODIES**

The company FORTENOVA GRUPA d.d. hereby proposes to the Shareholders Assembly of the company MERCATOR d.d. to adopt the following

**resolution:**

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

**Explanation:**

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

Ljubljana, November 22, 2021

President of the Management Board:

Tomislav Čizmić



**Mercator**

Documents pertaining to item two of the agenda

#### **SQUEEZE-OUT OF MINORITY SHAREHOLDERS**

The company FORTENOVA GRUPA d.d. hereby proposes to the Shareholders Assembly of the company MERCATOR d.d. to adopt the following

**resolution:**

***2.1 The Shareholders Assembly shall peruse the Report on Requirements for Transfer of Shares and Appropriateness of the Amount of Cash Consideration for Minority Shareholders, prepared by the main shareholder, i.e., the company FORTENOVA GRUPA d.d., Marijana Čavića 1, 10000 Zagreb, Republic of Croatia ("Main Shareholder"), and the Report on Appropriateness of Cash Consideration, prepared by the auditor PIT Leitner d.o.o.***

***2.2 The Shareholders Assembly shall be informed that the Main Shareholder of the company POSLOVNI SISTEM MERCATOR d.d., Dunajska cesta 107, 1000 Ljubljana ("the Company"), holds 5,594,167 shares of the Company with symbol MELR, which corresponds to 90.005% (rounded to three decimal places) share in the share capital of the Company, taking into account the 42,192 treasury shares held by the Company, pursuant to Article 384, Paragraph 2, in relation to Article 528, Paragraph 2 of the Companies Act (ZGD-1).***

***2.3 All Company shares that are not treasury shares or shares held by the Main Shareholder, i.e., 621,261 MELR shares held by minority shareholders of the Company on the day of entry of this resolution into the Court Register ("Minority Shareholders"), shall be transferred to the Main Shareholder in exchange for consideration in the amount of EUR 36 per one MELR share ("Cash Consideration") on the day when this resolution is entered into the Court Register.***

***2.4 Pursuant to Article 23 of the Book-Entry Securities Act (ZNVP-1), the Main Shareholder shall transfer the Cash Consideration to KDD d.o.o.:***

- if the Company shares held by Minority Shareholders are free of any encumbrances, for the account of Minority Shareholders, or,***
- if Company shares held by Minority Shareholders are encumbered with a pledge, for the account of the pledgee and/or pledgees to the benefit of whom the pledge is entered in the central register of book-entry securities operated by KDD d.o.o., on the share or shares held by a Minority Shareholder or Minority Shareholders on the day of entry of the resolution on the transfer of shares to the Main Shareholder into the Court Register.***

***2.5 The Main Shareholder shall, immediately after the entry of this resolution into the Court Register, pay the Cash Consideration to the Minority Shareholders. ERSTE&STEIERMÄRKISCHE BANK d.d., Jadranski trg 3a, Rijeka, Croatia, shall be jointly and severally liable for the payment***

***of the Cash Consideration pursuant to Paragraph 2 of the Article 385 of the Companies Act (ZGD-1).***

**Explanation of the resolution proposal:**

Considering the rule of Article 528, Paragraph 2 of the Companies Act (ZGD-1), in relation to Article 384, Paragraph 2 of ZGD-1, with regard to determining the share of shares held by the Main Shareholder, the share of the Main Shareholder in the share capital of the Company corresponds to 90.005% (round to 3 decimal places). The Main Shareholder therefore proposes that the Shareholders Assembly of the Company decides in favour of the transfer of shares held by the remaining Minority Shareholders to the Main Shareholder, in exchange for appropriate cash consideration. Squeeze-out of the minority shareholders from the Company is regulated in Articles 384 to 388 of the Companies Act (ZGD-1).

In a company, where the shareholder structure is such that a single shareholder holds more than 90% of voting rights in the company, minority shareholders are formally entitled to exercise their property and management rights with regard to shares, whereby they are de facto prevented to exercise the latter due to shareholder structure. Because of this, the law considers minority shareholders as persons who no longer hold a meaningful management interest, but do have a property interest. This starting point is also considered with regard to squeeze-out of minority shareholders from a company, in which such property interests of the minority shareholders are protected by the requirement that the Main Shareholder pay them an adequate consideration, i.e., a fair price for the shares of the shareholders being squeezed-out.

Pursuant to Article 385, Paragraph 2 of the ZGD-1 and considering the provisions of Article 556, Paragraphs 5 and 6 of the ZGD-1, the Main Shareholder offers to the Minority Shareholders whose shares are to be transferred to the Main Shareholder as a result of the squeeze-out, EUR 36 per each Company share. For the purpose of the squeeze-out, the Main Shareholder has obtained a valuation of the Company, compiled by KPMG d.o.o., from which it may be derived that the consideration of EUR 36 per Company share is at the upper end of the valuation range of the Company.

Such cash consideration also reflects the asset value and profitability of the Company, and represents an equitable cash consideration for the transfer of shares from Minority Shareholders to the Main Shareholder.

Pursuant to Article 386, Paragraph 2 of the ZGD-1, the Main Shareholder compiled a Report on Requirements for Transfer of Shares and Appropriateness of the Amount of Cash Consideration for Minority Shareholders that shall be reviewed by the auditor, the company PIT Leitner d.o.o.

Ljubljana, November 22, 2021

President of the Management Board:

Tomislav Čizmić

**Appendices to item 2 of the agenda**

- Main shareholder's report on minority shareholders squeeze-out
- Report by independent auditor PIT Leitner, revizijska družba, d.o.o., on appropriateness of cash consideration to be paid out to minority shareholders of the company MERCATOR d.d.

- Enterprise appraisal report compiled by the company KPMG, poslovno svetovanje d.o.o. (only available at the company headquarters)

## **INFORMATION FOR THE SHAREHOLDERS**

### ***1. Total number of shares and voting rights as at the day of Shareholders Assembly convocation***

As at the day of Shareholders Assembly convocation, the company has 6,257,610 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.

### ***2. Information on additional items of the agenda***

Shareholders whose combined shareholdings amount to one twentieth (five percent) of share capital, may request in writing 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 to be adopted with regard to a particular agenda item, shall be attached to the request. It shall suffice to send the request to the company no later than seven days after the announcement of Shareholders Assembly convocation.

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 and submitted by the shareholders no later than seven days after the announcement of this 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). Requests for additional agenda item submitted by electronic mail must be sent as a scanned image file attached to the e-mail message. The image file must 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 person, if applicable. The company has 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 additional agenda item shall only be discussed at the Shareholders Assembly if it is announced in the same way as the Shareholders Assembly convocation, no later than 14 days before the Shareholders Assembly; otherwise, it shall be discussed at the first subsequent Shareholders Assembly. The Management Board will provide in the same deadline and in the same way an announcement of the consolidated copy of the agenda.

### ***3. Information on shareholder proposals***

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 shareholder FORTENOVA GRUPA d.d. 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 has 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.

#### ***4. Information on the 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).

#### ***5. Attendance conditions and assertion of voting rights***

The Shareholders Assembly may be attended and voted at only by those shareholders who have registered their attendance at the Assembly 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 December 19, 2021, and 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 December 16, 2021 (cut-off day); if a proxy who is not the final shareholder is entered as the shareholder in the central register, then the shareholders may vote based on proof specified in Article 235.č, Paragraph two, of the Companies Act (ZGD-1), which specifies who is the final shareholder on the cut-off day. To this end, the proxy shall, upon shareholder's request, without hesitation, present to the shareholder on whose behalf such proxy is providing the service of share storage, management, or securities account management, relevant proof.

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 shall be available at the company website; it is also freely available at the company headquarters at Ljubljana, Dunajska cesta 107 (ground floor), each business day from the day of announcement of the convocation to the day of the Shareholders Assembly session, from 9 a.m. to 3 p.m. 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 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 6,257,610 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