



**Mercator**

Pursuant Article 18 and 19 of the company bylaws, the Management Board of the company POSLOVNI SISTEM MERCATOR, d.d., with headquarters in Ljubljana, Dunajska cesta 107, hereby convene

**12<sup>th</sup> regular Shareholders Assembly,  
on Wednesday, May 17<sup>th</sup> 2006  
at company headquarters**

**I. AGENDA AND RESOLUTION PROPOSALS**

**1. Election of the Shareholders Assembly Operational Bodies**

RESOLUTION PROPOSAL:

The Shareholders Assembly operational bodies shall be elected.

**2. Adoption of the resolution on changes and amendments to the company bylaws**

RESOLUTION PROPOSAL:

1. The proposed changes and amendments to the bylaws of the incorporated public company Poslovni sistem Mercator, d.d., are confirmed and adopted.
2. Within the changes and amendments to the bylaws of the company Poslovni sistem Mercator, d.d., the Management Board is granted an authorization, subject to the preceding consent of the Supervisory Board, to increase the share capital by up to 50% of the share capital that is registered on the day of the adoption of this resolution at the 12th regular Shareholders Assembly, by issuing new shares; the management may opt to do so within five years from the day of registering these changes with the Court Register, and it is given the option to omit the preemptive right to new shares.
3. Pursuant Article 694, paragraph 4 of the Companies Act – 1, the Shareholders Assembly hereby authorizes the Supervisory Board to calculate the values of share capital, which are stated in the company bylaws in Slovenian Tolars, into Euros, applying the relevant exchange rate, and that it alters the wording of the bylaws accordingly.

### **3. Adoption of resolutions on the allocation of distributable profit, payment of dividends and discharging the Management and Supervisory Board**

#### **a) Adoption of resolution on the allocation of distributable profit and payment of dividend**

RESOLUTION PROPOSAL:

1. Distributable profit as at December 31st 2005 in the amount of SIT 2,127,778,929.87 is to be allocated as follows:
  - Part of the distributable net profit in the amount of SIT 2,113,660,800.00 deriving from undistributed profit for the year 2005 shall be allocated for the payment of dividends in gross amount of SIT 600.00 per ordinary share;
  - Remaining portion of the distributable net profit for the year 2005 in the amount of SIT 14,118,129.87 shall be allocated to other reserves from profit.
2. Dividends shall be paid out in cash within 30 days after the adoption of the resolution, to those shareholders that will be registered as owners of shares with the KDD – Central Clearing and Depository Agency on May 22th 2006.

#### **b) Issuing a discharge to the Supervisory Board**

RESOLUTION PROPOSAL:

Shareholders Assembly is giving a discharge to the company Supervisory Board for the business year 2005.

#### **c) Issuing a discharge to the Management Board**

RESOLUTION PROPOSAL:

Shareholders Assembly is giving a discharge to the company Management Board for the business year 2005.

### **4. Apprising the Shareholders Assembly of the purchase of own (treasury) shares and authorization to the management for acquisition and disposal of own shares**

#### **a) Apprising the Shareholders Assembly of the purchase of own shares**

RESOLUTION PROPOSAL:

The Shareholder Assembly is apprised that on December 31st 2005, the company held 68,076 own shares that were purchased at the average price of SIT 18,376.16 per share.

## **b) Authorization to the Management Board for acquiring and disposal of own (treasury) shares**

### RESOLUTION PROPOSAL:

Shareholders Assembly hereby grants the authorization to acquire and dispose of own shares as follows:

1. The authorization to acquire own shares is granted for the period of 18 months, starting with the day the authorization is issued/granted.
2. The authorization applies for acquiring own shares up to a maximum of 359,084 shares, which is 10% of the company share capital and includes the own shares that the company already holds on the day this authorization is granted.
3. The purchase price of these shares may not exceed the average of daily prices per share on the Ljubljana Stock Exchange in the last full calendar month before the acquisition of shares, by more than 5%.
4. The company may acquire own shares only in organized capital market.
5. The own shares that were acquired by application of this authorization and the own shares that were acquired previously, may be used by the company for the following purpose, under the following conditions:
  - to exchange them for ownership stakes in other companies, subject to previous consent by the company Supervisory Board, or
  - for potential sale to a strategic partner, subject to previous consent by the company Supervisory Board.
6. The price at which the company disposes of own (treasury) shares should not be lower than their average purchase price or lower than average price per share on the Ljubljana Stock Exchange in the last full calendar month before the day of their disposal.
7. Upon the disposal of own (treasury) shares, the preemptive right is omitted, if the shares are disposed of for purposes and under conditions, stated herein.
8. The Management shall inform the Shareholders of any disposal of own shares at the first regular Shareholders Assembly to follow the date of disposal; furthermore, the Management shall also submit an opinion by an independent finance advisor on the fairness or justification of the disposal from the viewpoint of the shareholders and the company.

## **5. Termination of office of a Supervisory Board member and Appointment of a new Supervisory Board member and appointment of a new Supervisory Board member**

### **a) Termination of office of a Supervisory Board member**

#### RESOLUTION PROPOSAL:

It is established that on April 12th 2006, Mr. Gorazd Čuk resigned as the member of the Supervisory Board.

### **b) Appointment of a new Supervisory Board member**

#### RESOLUTION PROPOSAL:

Mr. Srečko Kenda is appointed as the new member of the Supervisory Board; his office begins on the day of appointment and shall expire on October 30th 2009.

## **6. Selecting the auditing company for the year 2006**

#### RESOLUTION PROPOSAL:

The auditing company PricewaterhouseCoopers, d.o.o., Ljubljana, is selected as the company auditor for 2006.

Resolutions, stated under items 1, 2, 3a and 4 are proposed by the Management and the Supervisory Board, while resolutions under items 5 and 6 are proposed by the Supervisory Board alone.

## **II. DISCLOSURE / AVAILABILITY OF THE DOCUMENTATION**

The documentation for the agenda, containing resolution proposals, including the proposal on the changes and amendments to the company bylaws, and the adopted Annual Report, Supervisory Board Report and other material, are available to the company shareholders at company headquarters in Ljubljana, Dunajska cesta 107 (ground floor), every workday from the announcement of the convening until the day of the Shareholders Assembly from 8 AM to 4 PM; all relevant documentation is also published on the stock market's electronic information system.

## **III. TIME OF ASSEMBLY**

The assembly is convened to begin at 2 PM. If quorum is not reached at that time, the Assembly is rescheduled for the same day and same place at 3 PM, regardless of the extent of representation of the shareholder capital.

The room/hall in which the assembly is to take place will be opened 30 minutes before the beginning of the Assembly.

#### **IV. TERMS OF ATTENDANCE**

The following persons may attend and take part in the Assembly:

1. Shareholders, their representatives or proxies, who register their attendance no later than three days before the Assembly. Upon registration, shareholder representatives and proxies must submit a written letter of authorization which remains in custody of the company.
2. Registration from the previous paragraph is considered timely if it arrives at company headquarters no later than May 13<sup>th</sup> 2006.

President of the Management Board  
Žiga Debeljak