



**Mercator**

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

**13<sup>th</sup> regular Shareholders Assembly,  
on Wednesday, June 27<sup>th</sup> at 1 PM,  
in the Urška Hall, Gospodarsko razstavišče (The Ljubljana Fairgrounds),  
Ljubljana, Dunajska cesta 18**

## **I. AGENDA AND RESOLUTION PROPOSALS**

### **1. Opening of the Shareholders Assembly and election of the Shareholders Assembly bodies**

RESOLUTION PROPOSAL:

The Shareholders Assembly bodies are elected.

### **2. Translation of the share and nominal share values to euros, introduction of no par value shares, approved capital, change of company registered activities, and other changes and amendments to the Articles of Association and Bylaws**

#### **a) Translation of the share and nominal share values to euros**

RESOLUTION PROPOSAL:

Pursuant Article 693 of the Companies Act (ZGD-1), share capital in the amount of SIT 37,653,610,000.00, divided into 3,765,361 ordinary registered shares with nominal value of SIT 10,000.00, shall be translated from tolar to euro; thus, the share capital in the new currency amounts to EUR 157,128,514.53, and it is divided into 3,765,361 ordinary registered shares with a nominal value of EUR 41.73 per share. The relations between particular rights pertaining to the ownership of shares and the relations of voting rights in the company were not changed by the currency translation.

The difference in the amount due to the translation amounts to EUR 2,784.27; it will be covered from other provisions from profit.

## **b) Introduction of no par value shares and changes to the Articles of Association and Bylaws**

### RESOLUTION PROPOSAL:

Share capital in the amount of EUR 157,128,514.53, divided into 3,765,361 ordinary registered shares with nominal value of 41.73 EUR per share, shall be re-divided into no par value shares, in such way that each ordinary registered share with a nominal value of EUR 41.73 shall be replaced by one ordinary no par value share. Thus, the share capital amounting to EUR 157,128,514.53 is divided into 3,765,361 ordinary registered shares.

Based on the resolution adopted with regard to item 2.a) and harmonization with the Companies Act (ZGD-1), Article 12 of Articles of Association and company Bylaws shall be changed to the following wording:

Share capital of the company amounts to EUR 157,128,514.53 and it is divided into 3,765,361 ordinary registered no par value shares.

Pursuant relevant legislation and rules and regulations, the shares are presented in dematerialized form and represent shares of a single class as defined by the Companies Act (ZGD-1). All shares have been paid-up entirely.

## **c) Changes of company's registered activities**

### RESOLUTION PROPOSAL:

Field of company's activities and operations shall be expanded with the following activities:

15.810 Production of bread, fresh pastry and confectionery

15.820 Production of rusk and cookies, production of long-lasting pastry and confectionery

15.850 Production farinaceous products (pasta)

92.610 Operation of sports facilities

92.623 Other sports activities

92.720 Other leisure activities, d.n.

## **d) Approved capital**

### RESOLUTION PROPOSAL:

Among the changes and amendments to the Articles of Association and Bylaws of the company Poslovni sistem Mercator, d.d., the Management Board is hereby authorized to increase in five years after the changes to the Articles of Association and company Bylaws are entered into the Court Register the company share capital by up to 20 % of the share capital entered on the day of adoption of this resolution at the 13th regular company Shareholders Assembly, by issuing new shares, subject to approval by the Supervisory Board; preemptive right of the existing shareholders to acquire new shares may be omitted under the following conditions:

- newly issued shares are used to acquire shares or ownership of other companies or business funds upon establishing strategic alliances;
- omission of the preemptive right shall be approved by the Supervisory Board;
- prior to the emission of new shares, company Management Board shall inform the shareholders of the reasons for the emission of new shares and reason for

- omission of the preemptive right, by announcing these reasons on the electronic dissemination information system of the relevant stock exchange;
- with each strategic alliance or partnership, none of the respective recipients of the newly issued shares or group of associated recipients of the newly issued shares shall acquire more than 10 % of the company share capital;
  - an independent financial advisor shall issue a positive opinion on the fairness of issuing new shares from the aspect of shareholders and the company, and the Management Board shall inform the shareholders with such opinion by publishing it on the stock market electronic dissemination information system no later than 30 days after the establishment of a binding agreement on the issue of new shares.

### **e) Adoption of other changes and amendments to the company Articles of Association and Bylaws**

#### RESOLUTION PROPOSAL:

The proposed changes and amendments to the Articles of Association and Bylaws of the company Poslovni sistem Mercator, d.d., are hereby adopted.

### **3. Adoption of resolutions on the allocation of distributable profit, dividend payment, and granting discharge to the Management Board and Supervisory Board**

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

#### RESOLUTION PROPOSAL:

1. Distributable profit as at December 31<sup>st</sup> 2006 in the amount of SIT 29,264,696,782.42 (EUR 122,119,415.72) is to be allocated as follows:
  - Part of the distributable profit in the amount of SIT 3,548,066,704.80 (EUR 14,805,820.00) deriving from undistributed profit for the previous years shall be allocated for the payment of dividends in gross amount of SIT 958.56 (EUR 4.00) per ordinary share;
  - Remaining part portion of the distributable profit in amount of SIT 25,716,630,077.62 (EUR 107,313,595.72) shall be allocated to other reserves from profit.
2. Dividends shall be paid out in cash within 60 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 as at July 2<sup>nd</sup> 2007

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

#### RESOLUTION PROPOSAL:

Shareholders Assembly hereby grants a discharge to the company Supervisory Board for the business year 2006.

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

RESOLUTION PROPOSAL:

Shareholders Assembly is giving a discharge to the company Management Board for the business year 2006.

### **4. Election of a new Supervisory Board member**

RESOLUTION PROPOSAL:

Mr. Srečko Kenda is hereby appointed as the Supervisory Board member with a term from the date of appointment until October 30<sup>th</sup> 2009.

### **5. Compensation for the Supervisory Board service, change in the amount of session fees, and definition of other forms of compensation to the Supervisory Board members**

#### **a) Compensation for the Supervisory Board service**

RESOLUTION PROPOSAL:

Members of the Supervisory Board as at December 31st 2006 shall be paid against operating costs a compensation for successful performance in 2006, in total gross amount of EUR 231,000.00, of which the chairman shall receive EUR 35,000.00, deputy chairman EUR 28,000.00, and other members EUR 21,000.00 each.

#### **b) Changes in the amount of session fees and definition of other forms of compensation to the Supervisory Board members**

RESOLUTION PROPOSAL:

As of January 1<sup>st</sup> 2007, the Supervisory Board members shall receive the following compensation:

- monthly compensation for performing their duties, in the amount of EUR 2,500.00 per month for the Supervisory Board chairman, and EUR 1,500.00 per month to other members;
- session fees in the net amount of EUR 350.00 for the Supervisory Board chairman, and EUR 200.00 net for other Supervisory Board members;
- reimbursements of expenses related to the performance of their duties.

Final assessment for the payments already due in 2007 shall be carried out within 15 days after the Shareholders Assembly.

## **6. Appointment of the authorized auditing company for the year 2007**

### RESOLUTION PROPOSAL:

The auditing company KPMG SLOVENIJA, podjetje za revidiranje, d.o.o., is hereby appointed as the company auditor for 2007.

## **7. Announcement and presentation of the findings of the special auditor for revision of selected company business transactions**

### RESOLUTION PROPOSAL:

The Shareholders Assembly is informed of the findings of the special auditor with regard to the revision of selected business transactions of the company.

Resolutions in the items 1., 2., 3., 5., and 7. are proposed by the Management Board and Supervisory Board, while the resolutions in the items 4. and 6. are proposed by the Supervisory Board only.

## **II. DOCUMENTATION AVAILABILITY**

Documentation for the agenda, including the proposals of resolutions and amendments of the company Articles of Association and Bylaws is available to company shareholders at company headquarters in Ljubljana, Dunajska cesta 107 (ground floor), every weekday from the announcement of the convocation until the day of the Assembly, from 9 to 12 AM. Furthermore, the documentation is published on the stock market electronic dissemination information system, and on the company website **[www.mercator.si](http://www.mercator.si)**.

## **III. TIME OF CONVOCATION**

The Shareholders Assembly is convened for 1 PM (13:00). If quorum is not reached at that time, the Assembly shall be rescheduled to take place on the same day at 2 PM (14:00), regardless of the amount of share capital represented.

The hall in which the Shareholders Assembly is to take place shall be opened 30 minutes prior to the meeting.

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

The following persons may attend and take part in the Shareholders Assembly: Shareholders, their representatives, and proxies who register their attendance no later than three days prior to the meeting. Upon registration, shareholder representatives and proxies must produce a written letter of authorization (power of attorney) which shall remain in the custody of the company.

President of the Management Board  
Žiga Debeljak, MScBA

President of the Supervisory Board  
Robert Šega, MA