



Mercator

DOCUMENTATION

for the 16th regular Shareholders Assembly
of the company Mercator, d.d.

June 2010

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I. Documents pertaining to item one of the agenda

OPENING OF THE SHAREHOLDERS ASSEMBLY AND APPOINTMENT OF THE SHAREHOLDERS ASSEMBLY CHAIRPERSON

The Management Board hereby proposes to the Shareholders Assembly of the company Mercator, d. d., the following

Resolution:

Mr. Uroš Ilić, attorney at law, from Ljubljana, is appointed as the Shareholders Assembly Chairman.

Explanation:

Pursuant to Article 20 of the Articles of Association of the joint stock company Poslovni sistem Mercator, d.d., (hereinafter referred to as the 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. The Management Board as the convening party proposes Mr. Uroš Ilić, attorney at law from Ljubljana, to be elected as the Shareholders Assembly Chairman.

Furthermore, a notary public shall be present at the Shareholders Assembly, to record and write down the Shareholders Assembly resolutions in the form of a notarial record; the notary public shall be appointed by the party convening the Assembly. In the case at hand, the Management Board as appointed notary public Bojan Podgoršek from Ljubljana. The Management Board shall also appoint members of the election committee to carry out the voting and the elections.

Ljubljana, June 8th 2010

Management Board President:
Žiga Debeljak

II. Documents pertaining to item two of the agenda

PRESENTATION OF ANNUAL REPORT AND THE SUPERVISORY BOARD'S REPORT ON THE RESULTS OF ANNUAL REPORT REVIEW AND AUDIT FOR THE BUSINESS YEAR 2009; INFORMATION ON THE COMPENSATION AND REWARDS OF THE MEMBERS OF MANAGERIAL AND SUPERVISORY BODIES; ALLOCATION OF DISTRIBUTABLE PROFIT, DIVIDEND PAYMENT; AND GRANTING DISCHARGE TO THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The Management Board and Supervisory Board hereby propose to the Shareholders Assembly of the company Mercator, d.d., the following

Resolutions:

1. *Distributable profit, amounting to EUR 27,153,424.38 as at December 31st 2009, shall be allocated as follows:*
 - a) *a part of the distributable profit in the amount of EUR 27,110,599.20 shall be allocated for dividend payment in the amount of EUR 7.20 gross per ordinary share;*
 - b) *the remaining part of the distributable profit in the amount of EUR 42,825.18 EUR shall remain unallocated.*

Dividends shall be paid out in cash in 60 days after the resolution is adopted, to those shareholders who are duly registered with the KDD – Central Clearing Corporation, as at July 16th 2010.

2. *The Shareholders Assembly grants discharge to the company Supervisory Board for the business year 2009.*
3. *The Shareholders Assembly grants discharge to the company Management Board for the business year 2009.*

Explanation:

Pursuant to Article 294 of the Companies Act (ZGD-1) and Article 17 of the Articles of Association, the Shareholders Assembly shall vote on the allocation of distributable profit simultaneously with voting on whether discharge is to be granted to the members of the Management Board and Supervisory Board. According to the said Act, discussion on the discharge shall be related to the discussion on the allocation of distributable profit; to facilitate the decision-making process, the Management Board shall present to the Shareholders Assembly the Annual Report and the Supervisory Board's Report on the results of the Annual Report audit. Furthermore, the Article referred to above provides that the Management Board shall inform the shareholders at the Shareholders Assembly when deciding on the allocation of distributable profit, about the compensation and rewards received by the members of the managerial and supervisory bodies in the company and its subsidiaries in the previous business year. This information shall also be disclosed in the Annual Report.



Mercator

Considering these provisions, the Annual Report for the Business Year 2009 and Supervisory Board's Report on the 2009 Annual Report confirmation shall be presented at the Assembly within the same item of the agenda, before the discussion of allocation of distributable profit and before granting discharge. Furthermore, the Management Board shall inform the Shareholders Assembly about the compensation and rewards received in the 2009 business year by the members of the managerial and supervisory bodies for performance of their duties. As these topics are mutually related, it is quite reasonable to discuss them together.

When defining the proposal on the allocation of distributable profit for 2009, the Management Board and the Supervisory Board considered the following: company's previous dividend policy, current balance of retained earnings, expectations and the importance of dividend payments for major and minor shareholders in the current circumstances, the effect of the amount of dividend on the appeal of the shares from the aspect of the shareholders, effect of dividend policy on the stability of ownership composition, structure of financing sources, amount of equity, solvency and liquidity, company development capacity, and other aspects.

The proposal on the resolution to grant discharge is in fact a proposal on confirmation and approval of the work by the Management Board and Supervisory Board in the business year 2009. Pursuant to the recommendation from the Corporate Governance Code for Publicly Traded Companies, this proposal shall be voted on separately for the Management Board and the Supervisory Board.

Ljubljana, June 8th 2010

Management Board President:
Žiga Debeljak

Supervisory Board Chairman:
Robert Šega

Appendix to item 2 of the agenda:

- Annual Report complete with the statement on corporate governance and the information on the compensation and rewards paid out to the managerial and supervisory bodies, and written Supervisory Board Report.

III. Documents pertaining to item three of the agenda

APPOINTMENT OF A CERTIFIED AUDITING COMPANY FOR THE YEAR 2010

Based on the proposal by the Audit Committee, the Supervisory Board hereby proposes to the Shareholders Assembly of the company Mercator, d.d., the following

Resolution:

The auditing company KPMG Slovenija, podjetje za revidiranje, d.o.o., Železna cesta 8a, Ljubljana, shall be appointed as the company auditor for 2010.

Explanation:

Pursuant to Articles 297.a and 280 of the Companies Act (ZGD-1) and the Auditing Act, the Supervisory Board, based on a proposal by the Audit Committee, hereby proposes to the Shareholders Assembly the auditing company KPMG Slovenija, podjetje za revidiranje, d.o.o., Železna cesta 8a, Ljubljana, for appointment as the company auditor. The company has the relevant experience in auditing for the field of activity in which the company is engaged, as well as references both in Slovenia and abroad. Furthermore, this auditing company has performed auditing services for the Mercator Group in the last three years.

Cooperation with the auditing company KPMG Slovenija, d.o.o., has thus far been successful and they have performed their services in a highly professional manner. This auditing company has not performed any consulting services for the company, and the revenues generated by performing auditing services for the Mercator Group do not exceed 30 percent of their total revenue. These circumstances additionally vouch for their independence and impartiality.

The auditor was also selected by taking into account the Corporate Governance Code for Publicly Traded Companies which in Section 18.3 provides that the company change the key auditing partner of the same auditing company, or change the auditing company altogether, once per five years.

Ljubljana, June 8th 2010

Supervisory Board Chairman:
Robert Šega

IV. Documents pertaining to item four of the agenda

CHANGES IN THE COMPANY ARTICLES OF ASSOCIATION REQUIRED TO HARMONIZE THE LIST OF REGISTERED COMPANY ACTIVITIES WITH THE NEW STANDARD CLASSIFICATION; AND TO COMPLY WITH THE PROVISIONS OF THE COMPANIES ACT (ZGD-1C) ON COMPENSATION AND REWARD TO THE SUPERVISORY BOARD MEMBERS, ON THE CONVOCAATION OF SHAREHOLDERS ASSEMBLY, ON INFORMING THE SHAREHOLDERS, ON REGISTRATION AND CONDITIONS FOR ATTENDANCE AT THE SHAREHOLDERS ASSEMBLY, AND FOR EDITORIAL CORRECTIONS

The Management Board and Supervisory Board hereby propose to the Shareholders Assembly of the company Mercator, d.d., the following

Resolution:

The Shareholders Assembly shall adopt the proposed changes to the Articles of Association required to harmonize the list of registered company activities with the new standard classification; and to comply with the provisions of the Act Amending the Companies Act (ZGD-1C, Official Journal RS, No. 42/2009) on compensation and reward to the Supervisory Board members, on the convocation of Shareholders Assembly, on informing the shareholders, on registration and conditions for attendance at the shareholders assembly, and for editorial corrections, as provided in the text which is a constituent part of the Shareholders Assembly documentation. The changes to the Articles of Association shall be effective as of the day they are entered in the Court Register.

Explanation:

Pursuant to Article 17, Section 4 of the Articles of Association and Article 329 of the Companies Act (ZGD-1), any changes in the Articles of Association shall be voted on and adopted by the Shareholders Assembly. The changes to the Articles of Association proposed herein are merely of technical nature and their purpose is exclusively to harmonize the wording of the company Articles of Association with the provisions of the Companies Act and its most recent amendments in ZGD-1C, and the effective Regulation on Standard Classification of Activities. These changes only apply to those provisions of the Articles of Association that must inevitably be changed in order to comply with the said regulations and no other changes of significance for the contents of the Articles of Association are proposed.

Harmonization of the provisions in the Articles of Association with the Act Amending the Companies Act (Official Journal RS, No. 42/2009, ZGD-1C) is proposed because of an explicit legislative requirements in Article 37 of the ZGD-1C, according to which the companies are required to harmonize their Articles of Association with the provisions of the ZGD-1C no later than by September 1st 2010. Provisions of this Act have become effective already in September 1st 2009 and they define a different set of rules regarding any profit sharing by the company Supervisory Board members, notification of shareholders, convocation of the Shareholders Assembly, and registration and terms of attendance at the Shareholders Assembly than provided in the currently effective Articles of Association. Hence, harmonization of the Articles of Association with the relevant legislation is proposed as provided in the wording of proposed changes.

Such harmonization of the list of activities in the Articles of Association is required because as of January 1st 2008, the new Regulation on the Standard Classification of Activities (Official Journal RS, No. 69/2007 and all subsequent; hereinafter referred to as the Regulation) came into effect to define a different classification and names of business activities than provided in the company Articles of Association. Pursuant to Article 9, Paragraph 2 of the Regulation, the activities listed in the Articles of Association must be harmonized, or updated, upon the first changes to the Articles.

The proposed editorial corrections to the Articles of Association wording result from the fact that the company share capital is divided into no par value shares that do not have a nominal amount but rather only the current market value; hence, all provisions of the Articles of Association that refer to the nominal shares shall be changed to "corresponding value".

All proposed changes to the Articles of Association are explained in more detail in the wording of proposed changes attached herewith.

Ljubljana, June 8th 2010

Management Board President:
Žiga Debeljak

Supervisory Board Chairman:
Robert Šega

Appendix to item 4 of the agenda:
- Draft consolidated copy of the Articles of Association



1. WORDING OF THE PROPOSED CHANGES TO THE ARTICLES OF ASSOCIATION, COMPLETE WITH EXPLANATIONS

1) The introduction to the Articles of Association shall be changed in the following way: a comma shall be added after the wording "at the eighth meeting held on May 31st 2002" instead of the word "and" which shall be omitted; after the wording "at the 13th meeting held on June 27th 2007", the wording "and at the 16th meeting held on July 13th 2010" shall be inserted.

Explanation:

The change is of editorial nature, it adds a reference to the date of a Shareholders Assembly at which the wording of the Articles of Association was changed most recently, to the Introduction to the Articles of Association.

2) In Article 1, Indent 6, the words "nominal share value" shall be omitted.

Explanation:

The change is of editorial nature and it is a result of the fact that the company share capital is divided into no par value shares without nominal value. Therefore, omission of the wording stating that the Articles of Association also define the nominal value of the shares, is proposed.

3) The wording of Article 11 shall be changed to the following wording:

"Article 11

Company activities include the following:

- 01.110 Growing of cereals (except rice), leguminous crops and oil seeds*
- 01.120 Growing of rice*
- 01.130 Growing of vegetables and melons, roots and tubers*
- 01.140 Growing of sugar cane*
- 01.150 Growing of tobacco*
- 01.160 Growing of fiber crops*
- 01.190 Growing of other non-perennial crops*
- 01.210 Growing of grapes*
- 01.220 Growing of tropical and subtropical fruits*
- 01.230 Growing of citrus fruits*
- 01.240 Growing of pome fruits and stone fruits*
- 01.250 Growing of other tree and bush fruits and nuts*
- 01.260 Growing of oleaginous fruits*
- 01.270 Growing of beverage crops*
- 01.280 Growing of spices, aromatic, drug and pharmaceutical crops*
- 01.290 Growing of other perennial crops*
- 01.300 Plant propagation*
- 01.610 Support activities for crop production*
- 01.620 Support activities for animal production, excluding veterinary*
- 01.630 Post-harvest crop activities*
- 01.640 Seed processing for propagation*
- 02.100 Silviculture and other forestry activities*
- 02.200 Logging*



02.300	<i>Gathering of wild growing non-wood products</i>
02.400	<i>Support services to forestry</i>
10.130	<i>Production of meat and poultry meat products</i>
10.310	<i>Processing and preserving of potatoes</i>
10.320	<i>Manufacture of fruit and vegetable juice</i>
10.390	<i>Processing and preserving of fruit and vegetables not elsewhere classified</i>
10.410	<i>Manufacture of oils and fats</i>
10.520	<i>Manufacture of ice cream</i>
10.710	<i>Manufacture of bread; manufacture of fresh pastry goods and cakes</i>
10.720	<i>Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes</i>
10.730	<i>Manufacture of macaroni, noodles, couscous and similar farinaceous products</i>
10.850	<i>Manufacture of prepared meals and dishes</i>
10.890	<i>Manufacture of other food products not elsewhere classified</i>
11.010	<i>Distilling, rectifying and blending of spirits</i>
11.020	<i>Manufacture of wine from grape</i>
13.300	<i>Finishing of textiles</i>
14.130	<i>Manufacture of other outerwear</i>
16.100	<i>Sawmilling and planing of wood</i>
16.220	<i>Manufacture of assembled parquet floors</i>
16.230	<i>Manufacture of other builders' carpentry and joinery</i>
17.230	<i>Manufacture of paper stationery</i>
18.120	<i>Printing not elsewhere classified</i>
18.140	<i>Binding and related services</i>
23.200	<i>Manufacture of refractory products</i>
23.410	<i>Manufacture of ceramic household and ornamental articles</i>
23.420	<i>Manufacture of ceramic sanitary fixtures</i>
23.430	<i>Manufacture of ceramic insulators and insulating fittings</i>
23.440	<i>Manufacture of other technical ceramic products</i>
23.490	<i>Manufacture of other ceramic products not elsewhere classified</i>
25.120	<i>Manufacture of doors and windows of metal</i>
25.620	<i>Machining</i>
25.930	<i>Manufacture of wire products, chain and springs</i>
25.940	<i>Manufacture of fasteners and screw machine products</i>
33.120	<i>Repair of machinery</i>
41.100	<i>Development of building projects</i>
41.200	<i>Construction of residential and non-residential buildings</i>
42.110	<i>Construction of roads and motorways</i>
42.120	<i>Construction of railways and underground railways</i>
42.130	<i>Construction of bridges and tunnels</i>
42.210	<i>Construction of utility projects for fluids</i>
42.220	<i>Construction of utility projects for electricity and telecommunications</i>
42.910	<i>Construction of water projects</i>
42.990	<i>Construction of other civil engineering projects not elsewhere classified</i>
43.110	<i>Demolition</i>
43.120	<i>Site preparation</i>
43.130	<i>Test drilling and boring</i>
43.210	<i>Electrical installation</i>
43.220	<i>Plumbing, heat and air conditioning installation</i>



43.290	<i>Other construction installation</i>
43.310	<i>Plastering</i>
43.320	<i>Joinery installation</i>
43.330	<i>Floor and wall covering</i>
43.341	<i>Glazing</i>
43.342	<i>Painting</i>
43.390	<i>Other building completion and finishing</i>
43.910	<i>Roofing activities</i>
43.990	<i>Other specialized construction activities not elsewhere classified</i>
45.110	<i>Sale of cars and light motor vehicles</i>
45.190	<i>Sale of other motor vehicles</i>
45.200	<i>Maintenance and repair of motor vehicles</i>
45.310	<i>Wholesale trade of motor vehicle parts and accessories</i>
45.320	<i>Retail trade of motor vehicle parts and accessories</i>
45.400	<i>Sale, maintenance and repair of motorcycles and related parts and accessories</i>
46.110	<i>Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods</i>
46.120	<i>Agents involved in the sale of fuels, ores, metals and industrial chemicals</i>
46.130	<i>Agents involved in the sale of timber and building materials</i>
46.140	<i>Agents involved in the sale of machinery, industrial equipment, ships and aircraft</i>
46.150	<i>Agents involved in the sale of furniture, household goods, hardware and ironmongery</i>
46.160	<i>Agents involved in the sale of textiles, clothing, fur, footwear and leather goods</i>
46.170	<i>Agents involved in the sale of food, beverages and tobacco</i>
46.180	<i>Agents specialized in the sale of other particular products not elsewhere classified</i>
46.190	<i>Agents involved in the sale of a variety of goods</i>
46.210	<i>Wholesale of grain, unmanufactured tobacco, seeds and animal feeds</i>
46.220	<i>Wholesale of flowers and plants</i>
46.230	<i>Wholesale of live animals</i>
46.240	<i>Wholesale of hides, skins and leather</i>
46.310	<i>Wholesale of fruit and vegetables</i>
46.320	<i>Wholesale of meat and meat products</i>
46.330	<i>Wholesale of dairy products, eggs and edible oils and fats</i>
46.340	<i>Wholesale of beverages</i>
46.350	<i>Wholesale of tobacco products</i>
46.360	<i>Wholesale of sugar and chocolate and sugar confectionery</i>
46.370	<i>Wholesale of coffee, tea, cocoa and spices</i>
46.380	<i>Wholesale of other food, including fish, crustaceans and mollusks</i>
46.390	<i>Non-specialized wholesale of food, beverages and tobacco</i>
46.410	<i>Wholesale of textiles</i>
46.420	<i>Wholesale of clothing and footwear</i>
46.430	<i>Wholesale of electrical household appliances</i>
46.440	<i>Wholesale of china and glassware and cleaning materials</i>
46.450	<i>Wholesale of perfume and cosmetics</i>
46.460	<i>Wholesale of pharmaceutical goods</i>
46.470	<i>Wholesale of furniture, carpets and lighting equipment</i>



- 46.480 *Wholesale of watches and jewelry*
- 46.490 *Wholesale of other household goods*
- 46.510 *Wholesale of computers, computer peripheral equipment and software*
- 46.520 *Wholesale of electronic and telecommunications equipment and parts*
- 46.610 *Wholesale of agricultural machinery, equipment and supplies*
- 46.620 *Wholesale of machine tools*
- 46.630 *Wholesale of mining, construction and civil engineering machinery*
- 46.640 *Wholesale of machinery for the textile industry and of sewing and knitting machines*
- 46.650 *Wholesale of office furniture*
- 46.660 *Wholesale of other office machinery and equipment*
- 46.690 *Wholesale of other machinery and equipment*
- 46.710 *Wholesale of solid, liquid and gaseous fuels and related products*
- 46.720 *Wholesale of metals and metal ores*
- 46.730 *Wholesale of wood, construction materials and sanitary equipment*
- 46.740 *Wholesale of hardware, plumbing and heating equipment and supplies*
- 46.750 *Wholesale of chemical products*
- 46.760 *Wholesale of other intermediate products*
- 46.770 *Wholesale of waste and scrap*
- 46.900 *Non-specialized wholesale trade*
- 47.110 *Retail sale in non-specialized stores with food, beverages or tobacco predominating*
- 47.190 *Other retail sale in non-specialized stores*
- 47.210 *Retail sale of fruit and vegetables in specialized stores*
- 47.220 *Retail sale of meat and meat products in specialized stores*
- 47.230 *Retail sale of fish, crustaceans and mollusks in specialized stores*
- 47.240 *Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialized stores*
- 47.250 *Retail sale of beverages in specialized stores*
- 47.260 *Retail sale of tobacco products in specialized stores*
- 47.290 *Other retail sale of food in specialized stores*
- 47.301 *Retail sale of own motor fuels*
- 47.302 *Agents involved in the retail of motor fuels*
- 47.410 *Retail sale of computers, peripheral units and software in specialized stores*
- 47.420 *Retail sale of telecommunications equipment in specialized stores*
- 47.430 *Retail sale of audio and video equipment in specialized stores*
- 47.510 *Retail sale of textiles in specialized stores*
- 47.520 *Retail sale of hardware, paints and glass in specialized stores*
- 47.530 *Retail sale of carpets, rugs, wall, and floor coverings in specialized stores*
- 47.540 *Retail sale of electrical household appliances in specialized stores*
- 47.590 *Retail sale of furniture, lighting equipment and other household articles in specialized stores*
- 47.610 *Retail sale of books in specialized stores*
- 47.621 *Retail sale of newspapers and magazines in specialized stores*
- 47.622 *Retail sale of paper and stationery in specialized stores*
- 47.630 *Retail sale of music and video recordings in specialized stores*
- 47.640 *Retail sale of sporting equipment in specialized stores*
- 47.650 *Retail sale of games and toys in specialized stores*
- 47.710 *Retail sale of clothing in specialized stores*



47.720	<i>Retail sale of footwear and leather goods in specialized stores</i>
47.730	<i>Dispensing chemist in specialized stores</i>
47.740	<i>Retail sale of medical and orthopedic goods in specialized stores</i>
47.750	<i>Retail sale of cosmetic and toilet articles in specialized stores</i>
47.761	<i>Retail sale of flowers, plants, seeds, fertilizers, pet animals and pet food in specialized stores</i>
47.762	<i>Retail sale of gardening equipment and pets in specialized stores</i>
47.770	<i>Retail sale of watches and jewelry in specialized stores</i>
47.781	<i>Retail sale of eyeglasses in specialized stores</i>
47.782	<i>Retail sale of artistic products in specialized stores</i>
47.789	<i>Other retail sale of new goods in specialized stores</i>
47.790	<i>Retail sale of second-hand goods in stores</i>
47.810	<i>Retail sale via stalls and markets of food, beverages and tobacco products</i>
47.820	<i>Retail sale via stalls and markets of textiles, clothing and footwear</i>
47.890	<i>Retail sale via stalls and markets of other goods</i>
47.910	<i>Retail sale via mail order houses or via Internet</i>
47.990	<i>Other retail sale not in stores, stalls or markets</i>
49.310	<i>Urban and suburban passenger land transport</i>
49.320	<i>Taxi operation</i>
49.391	<i>Intercity and other road passenger transport</i>
49.392	<i>Cable car operation</i>
49.410	<i>Freight transport by road</i>
49.420	<i>Removal services</i>
52.100	<i>Warehousing and storage</i>
52.210	<i>Service activities incidental to land transportation</i>
52.220	<i>Service activities incidental to water transportation</i>
52.230	<i>Service activities incidental to air transportation</i>
52.240	<i>Cargo handling</i>
52.290	<i>Shipping and Other transportation support activities</i>
53.200	<i>Other postal and courier activities</i>
55.100	<i>Hotels and similar accommodation</i>
55.201	<i>Children and other holiday homes</i>
55.202	<i>Tourist farm houses with lodging</i>
55.203	<i>Letting of private tourist rooms</i>
55.204	<i>Mountain refuges and youth hostels</i>
55.209	<i>Other short-stay accommodation</i>
55.300	<i>Camping grounds, recreational vehicle parks and trailer parks</i>
55.900	<i>Student and other accommodation</i>
56.101	<i>Restaurants and inns</i>
56.102	<i>Snack bars and similar</i>
56.103	<i>Sweetshops and coffee-houses</i>
56.104	<i>Provisory food-serving stands</i>
56.105	<i>Tourist farm houses without lodging</i>
56.210	<i>Event catering activities</i>
56.290	<i>Other food service activities</i>
56.300	<i>Beverage serving activities</i>
58.110	<i>Book publishing</i>
58.120	<i>Publishing of directories and mailing lists</i>
58.130	<i>Publishing of newspapers</i>



58.140	<i>Publishing of journals and periodicals</i>
58.190	<i>Other publishing activities</i>
58.210	<i>Publishing of computer games</i>
58.290	<i>Other software publishing</i>
59.200	<i>Sound recording and music publishing activities</i>
60.100	<i>Radio broadcasting</i>
60.200	<i>Television programming and broadcasting activities</i>
62.010	<i>Computer programming activities</i>
62.020	<i>Computer consultancy activities</i>
62.030	<i>Computer facilities management activities</i>
62.090	<i>Other information technology and computer service activities</i>
63.110	<i>Data processing, hosting and related activities</i>
63.120	<i>Web portals</i>
63.990	<i>Other information service activities not elsewhere classified</i>
64.190	<i>Other monetary intermediation</i>
64.200	<i>Activities of holding companies</i>
64.300	<i>Trusts, funds and similar financial entities</i>
64.910	<i>Financial leasing</i>
64.920	<i>Other credit granting</i>
64.990	<i>Other financial service activities, except insurance and pension funding not elsewhere classified</i>
66.110	<i>Administration of financial markets</i>
66.120	<i>Security and commodity contracts brokerage</i>
66.190	<i>Other activities auxiliary to financial services, except insurance and pension funding</i>
66.300	<i>Fund management activities</i>
68.100	<i>Buying and selling of own real estate</i>
68.200	<i>Renting and operating of own or leased real estate</i>
69.101	<i>Legal representation</i>
69.103	<i>Other legal activities</i>
69.200	<i>Accounting, bookkeeping and auditing activities; tax consultancy</i>
70.100	<i>Activities of head offices</i>
70.210	<i>Public relation and communication activities</i>
70.220	<i>Business and other management consultancy activities</i>
71.111	<i>Architectural planning</i>
71.112	<i>Landscape architecture, urban and other planning</i>
71.121	<i>Geo-engineering and related activities</i>
71.129	<i>Other engineering activities and related technical consultancy</i>
71.200	<i>Technical testing and analysis</i>
72.110	<i>Research and experimental development on biotechnology</i>
72.190	<i>Other research and experimental development on natural sciences and engineering</i>
72.200	<i>Research and experimental development on social sciences and humanities</i>
73.110	<i>Advertising agencies</i>
73.120	<i>Media representation</i>
73.200	<i>Market research and public opinion polling</i>
74.100	<i>Specialized design activities</i>
74.200	<i>Photographic activities</i>
74.300	<i>Translation and interpretation activities</i>



74.900	<i>Other professional, scientific and technical activities not elsewhere classified</i>
77.110	<i>Renting and leasing of cars and light motor vehicles</i>
77.120	<i>Renting and leasing of trucks</i>
77.210	<i>Renting and leasing of recreational and sports goods</i>
77.220	<i>Renting of video tapes and disks</i>
77.290	<i>Renting and leasing of other personal and household goods</i>
77.310	<i>Renting and leasing of agricultural machinery and equipment</i>
77.320	<i>Renting and leasing of construction and civil engineering machinery and equipment</i>
77.330	<i>Renting and leasing of office machinery and equipment (including computers)</i>
77.340	<i>Renting and leasing of water transport equipment</i>
77.350	<i>Renting and leasing of air transport equipment</i>
77.390	<i>Renting and leasing of other machinery, equipment and tangible goods not elsewhere classified</i>
77.400	<i>Leasing of intellectual property and similar products, except copyrighted works</i>
78.100	<i>Activities of employment placement agencies</i>
78.200	<i>Temporary employment agency activities</i>
78.300	<i>Other human resources provision</i>
79.110	<i>Travel agency activities</i>
79.120	<i>Tour operator activities</i>
79.900	<i>Other reservation service and related activities</i>
80.100	<i>Private security activities</i>
80.200	<i>Security systems service activities</i>
80.300	<i>Investigation activities</i>
81.210	<i>General cleaning of buildings</i>
81.220	<i>Other building and industrial cleaning activities</i>
81.290	<i>Other cleaning activities</i>
81.300	<i>Landscape service activities</i>
82.110	<i>Combined office administrative service activities</i>
82.190	<i>Photocopying, document preparation and other specialized office support activities</i>
82.200	<i>Activities of call centers</i>
82.300	<i>Organization of conventions and trade shows</i>
82.910	<i>Activities of collection agencies and credit bureaus</i>
82.920	<i>Packaging activities</i>
82.990	<i>Other business support service activities not elsewhere classified</i>
85.320	<i>Technical and vocational secondary education</i>
85.510	<i>Sports and recreation education</i>
85.520	<i>Cultural education</i>
85.590	<i>Other education not elsewhere classified</i>
85.600	<i>Educational support activities</i>
90.010	<i>Performing arts</i>
90.020	<i>Support activities to performing arts</i>
93.110	<i>Operation of sports facilities</i>
93.120	<i>Activities of sport clubs</i>
93.190	<i>Other sports activities</i>
93.299	<i>Other amusement and recreation activities not elsewhere classified</i>
95.110	<i>Repair of computers and peripheral equipment</i>
95.120	<i>Repair of communication equipment</i>



95.210	<i>Repair of consumer electronics</i>
95.220	<i>Repair of household appliances and home and garden equipment</i>
95.230	<i>Repair of footwear and leather goods</i>
95.250	<i>Repair of watches, clocks and jewelry</i>
95.290	<i>Repair of other personal and household goods</i>
96.010	<i>Washing and (dry-)cleaning of textile and fur products</i>

Explanation:

With the proposed change to the Articles of Association, the company harmonizes the list of registered activities with the new Regulation on Standard Classification of Activities (Official Journal RS, No. 69/2007, 17/2008; hereinafter referred to as the Regulation) which replaced the Regulation on Introduction and Application of the Standard Classification of Activities (Official Journal RS, No. 2/2002). Pursuant to Article 9, Paragraph 2 of the Regulation, the activities listed in the Articles of Association are to be harmonized upon the first change to the Articles of Association.

4) The wording of Article 16 shall be changed to the following wording:

"Article 16

The Shareholders Assembly consists of the shareholders who assert their rights in the company affairs at the Assembly.

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 fourth day before the Assembly.

At the Assembly, the shareholders may also assert their rights arising from their shareholding via proxy. Power of attorney / authorization to the proxy shall be submitted to the company in writing and such documents shall remain in the custody of the company.

The shareholders may also appoint a proxy to represent them at the Assembly by electronic means. An authorization form for asserting the voting right via proxy is available at the company website. The authorization / power of attorney may be submitted to the company by electronic mail to the address specified in the relevant Convocation of the Shareholders Assembly, 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 stamp of the person, if applicable. The company has the right to check the identity of the shareholder or, the proxy conferring the power of attorney by e-mail, as well the authenticity of the signature.

The shareholders may also employ the method described in the previous paragraph to submit to the company any requests for additional items on the agenda and resolution proposals to the items on the agenda, including voting proposals. The company has the right to check the identity of the shareholder or, the proxy conferring the power of attorney by e-mail, as well the authenticity of the signature."

Explanation:

The change is required for the purpose of harmonization with Articles 11, 13, 15, and 20 of the Act Amending the Companies Act (Official Journal of the Republic of Slovenia, No. 42/2009, hereinafter referred to as ZGD-1C), pursuant to which the conditions for attendance and representation of shareholders at the Shareholders Assembly have been changed. In Article 11 (which amends the wording of Article 297 of ZGD-1), the ZGD-1C provides that the Articles of Association may state among the prerequisites for attendance at the Shareholders Assembly or for assertion of voting right, the registration of attendance no later than on the fourth day before the Assembly, as provided in the proposed wording of Article 16, second paragraph of the amended Articles of Association. In Article 11, the ZGD-1C further provides that only those shareholders may attend the Shareholders Assembly and assert their voting rights who are entered into the central register of dematerialized securities as shareholders as at the end of the fourth day before the Assembly (cut-off date), which is also defined in the proposed wording of Article 16, second paragraph of the Articles of Association. Pursuant to Articles 13, 15, and 20 of the ZGD-1C (which amend the wording of Article 298, Article 300, and Article 308, Paragraph 7, of the ZGD-1), the Articles of Association of any company that is traded on the regulated market, shall define at least one way in which appointment of proxies for representation at the Shareholders Assembly, and proposals of additional items on the agenda and *resolution proposals to the* announced agenda items, can be made using electronic means. The proposed change hence provides that this can be done by electronic mail, by sending the relevant message to which a scanned image of the signed document is attached, in such way that the company has the option to check the identity of the shareholder and the authenticity of the signature, which is the company's right.

5) In Article 17, the wording of the third indent of the second point shall be changed to the following wording:

"- decides on the amount of attendance fees or other compensations and rewards for the services of Supervisory Board members"

Explanation:

The change is required for the harmonization with Article 7 of the ZGD-1C which prohibits any profit allocation to the Supervisory Board members. The currently effective wording of the Articles of Association allows such possibility, which is not in compliance with the relevant legislation.

6) The wording of Article 18 shall be changed to the following wording:

"Article 18

The Shareholders Assembly shall be convened in all cases provided by law or the Articles of Association, or when such convocation is deemed to benefit the company.

The Shareholders Assembly shall, as a rule, be convened by the Management Board; alternatively, it may be convened by the Supervisory Board.



The Shareholders Assembly shall be convened when this is requested from the Management Board by shareholders whose combined shares amount to one twentieth of the total share capital. In such case, the request for convocation shall be submitted complete with agenda, resolution proposal for each proposed item on the agenda on which the Shareholders Assembly should vote, or an explanation of the agenda item if no resolution is adopted with regard to a particular agenda item; all proposals should be submitted in writing. If the Shareholders Assembly is not convened no later than in two months from the receipt of the request, the shareholders who filed the request may request from the relevant court to authorize them to convene the Shareholders Assembly.

Explanation:

The change is required to harmonize the Articles of Association with Article 9 of the ZGD-1C which defines the contents of a request for Assembly convocation by minority shareholders. The same terms are proposed as defined in the relevant Act; the condition for the amount of share in total share capital required for requesting the convocation of Shareholders Assembly by the shareholders was left unchanged.

7) Wording of Article 19 shall be changed to the following wording:

"Article 19

Convocation of the Shareholders Assembly, including the contents stipulated by the relevant regulations and legislation, shall be publicly announced at least 30 days before the day of the Shareholders Assembly in the Delo daily paper, on the company's website, and in other way when required by relevant regulations or legislation."

Explanation:

The change is required for harmonization with Article 10 of the ZGD-1C which precisely defines the numerous new requirements with regard to the contents of the convocation and the method of announcement of the Shareholders Assembly convocation; hence, the Articles of Association refer fully to the relevant legislation. Pursuant to Article 11 of the ZGD-1C, a 30-day convocation deadline has replaced the one-month deadline.

8) The wording of Article 21 shall be amended to the following wording:

"Article 21

At the Assembly, a list of all shareholders present or represented, and their representatives, shall be compiled. The list shall include first and last name, residence, and the number of shares for each of the attendants.

The list shall be compiled based on the submitted attendance applications or powers of attorney, and based on the statement of record from the central register of dematerialized securities.

The list, signed by the Management Board President, shall be made available for viewing to the attendants before the vote; or, the attendants shall be allowed to view the list on an electronic medium.



Explanation:

The change is required in order to harmonize the Articles of Association with Article 11 of the ZGD-1C which provides that the Shareholders Assembly may only be attended and voted at by those shareholders who are entered as shareholders in the central register of dematerialized securities as at the end of the fourth day before the Shareholders Assembly. A list of all present and represented shareholders could therefore not be compiled based on merely the attendance applications; rather, the statement of record from the said register should also be employed. Other changes are of editorial nature and are a result of the fact that the company is an issuer of no par value shares, rather than par value shares (shares with a specified nominal amount).

9) The wording of Article 39 shall be amended to the following wording:

"Article 39

Supervisory Board members may be compensated or rewarded for their services; such compensation and rewards shall be voted on by the Shareholders Assembly. Payment should be appropriate given the tasks and duties of the Supervisory Board Members and given the company's financial position. Members of any Supervisory Board committees shall be compensated with one half of the monthly amount received by the Supervisory Board members, as well as attendance fee and the right to claim remuneration of costs in the same amount that applies for the work of the Supervisory Board."

Explanation:

The change is required to harmonize the Articles of Association with Article 7 of the ZGD-1C which prohibits any participation of Supervisory Board members in profit allocation and further provides that Supervisory Board members may be compensated for their work subject to a provision in the Articles of Association or a decision by the Shareholders Assembly.

10) In Article 53, the first indent of the first paragraph shall be omitted, and the second indent shall be amended to the following wording:

"- by combining the shares, if the minimum issue amount of the shares after the decrease in share capital fails to reach the lowest corresponding value (market value) allowed."

Explanation:

The change is of editorial nature and due to the fact that the company share capital is divided into no par value shares for which a nominal value is not specified. As a result, a decrease in the nominal value of shares is not possible, and combining of the shares may only be considered if, after the share capital is decreased to the lowest emission level, it could no longer attain the minimum corresponding value allowed (market value) as defined in Article 172, Paragraph 3 of the ZGD-1, which is 1 EUR.

11) In Article 54, Paragraph three, indent three, the words "and the Supervisory Board" shall be omitted.



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Explanation:

The change is required to harmonize the Articles of Association with Article 7 of the Companies Act ZGD-1C which prohibits any participation of Supervisory Board members in profit allocation.

12) In the last paragraph of Article 54, the word "*nominal*" shall be replaced with the word "*corresponding*".

Explanation:

The change is of editorial nature and it is due to the fact that the company share capital is divided into no par value shares which do not have a nominal amount, but only the corresponding amount (Article 172, Paragraph three of the ZGD-1).

Ljubljana, June 8th 2010

Management Board President:
Žiga Debeljak

Supervisory Board Chairman:
Robert Šega

V. Documents pertaining to item five of the agenda

MANAGEMENT BOARD'S REPORT ON ACQUISITION AND DISPOSAL OF TREASURY SHARES AND AUTHORIZATION FOR ACQUISITION AND DISPOSAL OF TREASURY SHARES

The Management Board and Supervisory Board hereby propose to the Shareholders Assembly of the company Mercator, d. d., the following

Resolution:

The Shareholders Assembly shall authorize the company to acquire and dispose of treasury shares as follows:

- 1. Authorization to acquire treasury shares shall be valid for 36 months after the day it is issued.*
- 2. The authorization is only valid for acquisition of no more than 376,536 treasury shares, provided that the total share of shares acquired for the purposes defined in this authorization, combined with any other shareholdings of treasury shares by the company, does not exceed 10 percent of the company share capital at any time.*
- 3. Purchase price for acquisition of treasury shares:*
 - shall not exceed the average daily price per company share as traded at the Ljubljana Stock Exchange, d.d. in the most recent full calendar month before the day of the shares' acquisition, plus 10 percent;*
 - shall not be lower than EUR 41.73, which is the corresponding value of each share in the company share capital.*
- 4. The company may only acquire treasury shares in the regulated capital market;*
- 5. The company may, based on this authorization by the Shareholders Assembly, use the newly and previously acquired treasury shares for the following two purposes, under the following conditions:*
 - to trade such treasury shares for shares or shareholdings of other companies, or for any other business or financial property, subject to previous consent by the company Supervisory Board; or*
 - for sale to a strategic investor, subject to previous consent by the company Supervisory Board.*
- 6. The price at which the company shall dispose of treasury shares shall not be lower than their average acquisition price, and not lower than the average daily price per company as traded at the Ljubljana Stock Exchange, d.d., in the most recent full calendar month before the day of their disposal.*



7. *In case of disposal of treasury shares, the preemptive right shall be omitted, if the shares are disposed of for the purposes and under the terms defined in this authorization.*
8. *At the first Shareholders Assembly after the date of any acquisition of treasury shares, the Management Board shall report to the shareholders about the reasons and purpose of such acquisition, total number and share of acquired shares, and about the value of shares acquired. At the first ensuing Shareholders Assembly after the date of any disposal of treasury shares, the company Management Board shall report to the shareholders on the total number and share of disposed treasury shares and on the value of disposed shares. In addition, the Management Board shall also attach an opinion by an independent financial advisor, on the justification of disposal from the aspect of the interest of shareholders and the company.*

Explanation:

The Management Board shall inform the Shareholders Assembly of any acquisitions and disposals of treasury shares based on the authorization approved and conferred at the 12th regular Shareholders Assembly on May 17th 2006. The Management Board has already reported on these transactions at the 14th regular Shareholders Assembly in 2008.

After that Shareholders Assembly, the company did not acquire any additional treasury shares; in 2009, it disposed of additional 189 treasury shares in order to carry out the merger with the acquired company Interior, d.o.o., with the company Mercator, d.d., as the acquiring company, based on the merger agreement signed on May 11th 2009. As a part of the merger, the company Mercator, d. d., provided 189 treasury shares to other partners in the company Interior, d.o.o., for acquisition of 2.382 percent of share capital of that company. The value of shares was estimated at EUR 205.50 per share. Independent financial advisor also prepared an opinion on this disposal, stating that they find it justified and fair. The opinion is a constituent part of the Shareholders Assembly documentation.

Pursuant to Article 247 of the companies Act (ZGD-1), the company may also acquire treasury shares based on an authorization by the Shareholders Assembly. Such authorization for acquisition of treasury shares shall be valid for no more than 36 months; it shall also define the minimum and maximum purchase price, and the number of shares that may be acquired and which may not exceed 10 percent of the company share capital. In view of such provisions, the Shareholders Assembly is proposed to issue to the company Management Board an authorization for acquisition and disposal of company treasury shares, based on which the company will be allowed to acquire a maximum of 376,536 treasury shares, which represents 10 percent of the company share capital. Based on such authorization, the company will be able to acquire treasury shares with the purpose of trading them in for shares or shareholdings in other companies, or for using them to acquire any other business or financial property, and for disposal to a strategic investor. Hence, the company will be allowed to use the treasury shares as a source for financing any new acquisitions of shares on other companies, or other property, or for disposal to a strategic partner.

The authorization for acquisition and disposal of treasury shares for the purpose of trading them in for ownership shares in other companies or for sale to a strategic partner was already granted to the Management Board at the 12th regular Shareholders Assembly on



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May 17th 2006, for the period of eighteen (18) months. As this period has already expired, a new authorization is proposed.

The company shall be able to acquire the shares only in regulated market, in compliance with the principle of equal treatment of shareholders as provided in Article 221 of the Companies Act (ZGD-1), by purchase price which shall not exceed the average daily price per share at the Ljubljana Stock Exchange, d.d., in the most recent full calendar month before the day of their acquisition, plus 10 percent, and shall not be lower than EUR 41.73, which is the corresponding value per share in the company's share capital. In case of disposal of treasury shares acquired based on this authorization, omission of preemptive right of the existing shareholders is proposed, since the shares could otherwise not be used for the purposes defined in the authorization. The reasons for omission are explained in the Management Board's Report which is a constituent part of this documentation. Prior to any disposal of shares, the Management Board will have to obtain consent by the company Supervisory Board; furthermore, it shall be required to report on such disposal to the Shareholders Assembly, and present to the Shareholders Assembly an opinion by an independent financial advisor on the justification of the transactions effected from the aspect of the interests of the company shareholders (so-called fairness option). In this way, it will be guaranteed that the company will indeed dispose of treasury shares only for the purposes of pursuing the planned strategic goals without affecting the interests of the shareholders.

Ljubljana, June 8th 2010

Management Board President:
Žiga Debeljak

Supervisory Board Chairman:
Robert Šega

Appendices to item 5 of the Agenda:

- Opinion by the independent financial advisor
- Management Board's Report on the reasons for proposing full omission of the preemptive right in disposal of treasury shares

VI. Documents pertaining to item six of the agenda**APPOINTMENT OF TWO NEW SUPERVISORY BOARD MEMBERS**

The Supervisory Board hereby proposes to the Shareholders Assembly of MERCATOR, d.d., the following

Resolution:

The number of Supervisory Board members shall be increased by four additional members; hence, the Supervisory Board will consist of twelve (12) members.

The following two persons shall be appointed as Supervisory Board members representing the interests of the shareholders, for the term of four years, starting on July 13th 2010:

- a) Matjaž Kovačič and*
- b) Miro Medvešek.*

Explanation:

Pursuant to Article 31 of the Articles of Association, the number of Supervisory Board shall be defined by the Shareholders Assembly with an Act on the Appointment of Supervisory Board. The number of Supervisory Board members may not exceed twelve (12). The Shareholders Assembly shall only elect one half of the Supervisory Board members, while the other half shall be elected by the Works Council.

At the 15th regular Shareholders Assembly held on July 20th 2009, it was decided that the company Supervisory Board would only have 8 members out of a maximum of 12. Therefore, only four representatives of shareholders were appointed, instead of the possible six. This year, the Supervisory Board received motions by the shareholders NLB, d.d., and NKBM, d.d., who are among the major company shareholders, to propose to the Shareholders Assembly the appointment of new Supervisory Board members. NLB, d.d., proposed the election of Mr. Miro Medvešek and NKBM, d.d., proposed the election of Mr. Matjaž Kovačič. The proposed resolution includes the appointment of both as new Supervisory Board members, thus increasing the number of Supervisory Board members representing the interests of the shareholders by two, while the total number of Supervisory Board members would be increased to twelve members. Remaining two members shall be elected by the Works Council, as provided in the Articles of Association. Curricula Vitae for both candidates, including their references, are announced as a constituent part of the Assembly documentation.

Candidate Miro Medvešek is an expert in finance and financial investment. He holds a B.A. degree in economics from the Faculty of Economics at the University of Ljubljana. Currently, he is employed as the director of the company Svetovanje M, financial consulting company, d.o.o., headquartered in Ljubljana. He has gained experience as the officer with Management Board's power of attorney and head of investment banking sector at the Nova Ljubljanska banka, d.d., a Ljubljana-based commercial bank, and as the head of securities management office at Zavarovalnica Triglav, insurance company, d.d., Ljubljana. He was also the Management Board President of a stock brokerage company.

Candidate Matjaž Kovačič is an expert in finance and banking. He graduated at the Faculty of Business and Economics at the University of Maribor. Currently, he is employed as the Management Board President at Nova KBM, d.d., a Maribor-based commercial bank, where he previously worked as the director of risk management sector and director of a branch office; he also has experience with working in the financial sector of the Gorenje Group.

Both candidates meet all conditions defined in the Rules of Procedure of the Supervisory Board of Poslovni sistem Mercator, d.d. The candidates also submitted their statements of consent with their candidacy for company Supervisory Board members.

The candidates are not members of any other managerial or supervisory bodies in the Republic of Slovenia, except for those stated in the explanation.

Ljubljana, June 8th 2010

Supervisory Board Chairman:
Robert Šega

Appendices to item 6 of the agenda

- Statements of consent on appointment
- Candidates' CVs



VII. 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 3,765,361 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 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. 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 3 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. 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 stamp 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 shareholders proposals

The shareholders may submit, in writing, resolution proposals to each item of the agenda. A shareholder proposal will only be announced by the company Management Board if the shareholder submits within seven days after the convocation of the Shareholders Assembly to the company a reasonably justified proposition, along with the statement of whether the shareholder will counter the proposal by the managerial/supervisory body and if the Supervisory Board intends to convince other shareholders to vote for her/his proposal. The shareholder shall not be required to justify an election proposal.



The shareholders may also submit the resolution and election proposals to the company by electronic mail, to the address skupscina@mercator.si. Resolutions or voting proposals 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 stamp 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 Management Board shall not announce the shareholder's proposal and the pertaining explanation in the following cases:

- if announcement of the proposal would constitute a criminal or minor offence;
- if the proposal could lead to a Shareholders Assembly resolution that would be in breach of the legislation or the provisions of the Articles of Association;
- if the explanation of the proposal includes obviously wrong or misleading information or insults in its key points;
- if the shareholder's proposal with the same contents has already been submitted to the company Shareholders Assembly;
- if the same shareholder's proposal with essentially the same explanation has been submitted at at least two company Shareholders Assemblies in the last five years, and if less than one twentieth (five percent) of the represented share capital voted in favour of such proposal;
- if the shareholder makes it clear that she/he would not attend the Shareholders Assembly and would not be represented there; or
- if the shareholder has not upheld her or his submitted proposal at the Shareholders Assembly in the last two years, or did not do so via proxy.

The Management Board shall not announce the explanation to the proposal if it includes more than 3,000 characters. The Management Board has the right to announce any proposal and their respective explanations in a summary, if several shareholders submit their proposals on the same issue. Shareholder proposals that are not submitted to the company within seven days after the announcement of the Shareholders Assembly convocation and are presented at latest at the Shareholders Assembly shall be discussed at the Assembly.

4. Information on the shareholder's right to information

The Management Board shall provide reliable information on company affairs at the Shareholders Assembly, if such information is required for assessment of the agenda items. Upon questions posed by several shareholders with regard to the same issue, the Management Board may submit the information in a combined reply. The Management Board will submit information on legal and business relations of the company with its subsidiaries, if this is deemed necessary for assessment of the agenda.

Regardless of the provisions from the previous paragraph, the Management Board shall not be required to submit information in the following cases:

- if submitting the information is, by sound economic judgment, of such nature that it could cause damage to the company or an associated company;
- if the information is related to balancing and assessment methods, when the description of such methods in the appendix suffices for assessment of property,



finance, and performance aspects of the company corresponding to the actual circumstances;

- if submitting such information would constitute a criminal or minor offence or incompliance with sound business practice;
- if the information has already been announced on the company website in the FAQ section at least seven days before the Assembly.

If a shareholder is provided with information outside the Shareholders Assembly, the same information shall be submitted to any other shareholder upon their request, even if such information is not deemed necessary for assessment of the agenda item. If a shareholder is not provided with the required information at the Shareholders Assembly, they may request that their question and the reason for which access to information was denied be entered into the Assembly minutes.

5. Attendance conditions and assertion of voting rights

The Assembly may be attended and voted at only by those shareholders who register their attendance in writing in such way that the Management Board receive their application no later than three days before the Shareholders Assembly, i.e. by July 10th 2010, and who are entered as shareholders in the central register of dematerialized securities as at COB (close of business) of July 9th 2010. The application shall be submitted by regular mail to the address Mercator, d. d., Dunajska cesta 107, 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 is available at the company website, and it is freely available at the company headquarters at Dunajska cesta 107, Ljubljana (ground floor), each work day from the day of announcement of the convocation to the day of the Shareholders Assembly convention, from 9 AM to 12 noon.

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 authorization must be submitted to the company in writing. The authorization shall remain in custody 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 work day from the day of announcement of the convocation to the day of the Shareholders Assembly convention, from 9 AM to 12 noon. The 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 stamp 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 shareholders may also revoke the authorization in the same way it was submitted, anytime until the day of the Shareholders Assembly.

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; in addition, statutory representatives shall also be required to present an extract from the judicial or business register.



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The shareholders are kindly requested to check in at the Shareholders Assembly reception office upon their arrival, no later than half hour before the beginning, to confirm their presence with their signatures on the list of attendants and to claim their voting devices. The hall 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 1 PM. In case of absence of quorum at such time, the Assembly shall be rescheduled for 2 PM on the same day at the same place, regardless of the share of total share capital represented at the Assembly.

Management Board President
Žiga Debeljak

Supervisory Board Chairman
Robert Šega