



Mercator

Pursuant to Article 298 and in connection with Article 296 of the Companies Act (ZGD-1) the company POSLOVNI SISTEM MERCATOR, d.d., announces

ADDITIONAL ITEMS TO THE AGENDA AND CONSOLIDATED VERSION OF THE AGENDA

of the 20th regular Shareholders Assembly

**taking place on August 29, 2014 at 1 PM at the company headquarters in Ljubljana,
Dunajska cesta 107**

convocation of which was announced on July 29, 2014 in the Delo daily paper and on website www.mercatorgroup.si and <http://seonet.ljse.si>

The company Mercator, d.d., informs all shareholders about the request received on August 8, 2014 from shareholder Agrokor, d.d., holding 53.12% of ordinary registered shares of the issuer Mercator, d.d., with the symbol MELR, to amend the agenda of the 20th regular Shareholder Assembly of the company Poslovni sistem Mercator, d.d., with two additional items accompanied with the respective resolution proposals with following wording and explanation:

Additional item 5: Information about the resignation of Supervisory Board members

RESOLUTION PROPOSAL:

The Shareholders Assembly is informed about the following resignations:

- *as of June 27, 2014, Mr Bojan Brank resigned as the Supervisory Board member representing shareholder interests;*
- *on August 4, 2014, Mr Matej Lahovnik resigned as the Supervisory Board Chairman and Supervisory Board member representing shareholder interests, effective as of August 28, 2014;*
- *on of August 4, 2014, Mr Rok Rozman resigned as the Supervisory Board Deputy Chairman and Supervisory Board member representing shareholder interests, effective as of August 28, 2014;*
- *on of August 4, 2014, Mr Boris Galić resigned as the Supervisory member representing shareholder interests, effective as of August 28, 2014;*
- *on of August 4, 2014, Mr Zdenko Podlesnik resigned as the Supervisory member representing shareholder interests, effective as of August 28, 2014; and*
- *on of August 4, 2014, Mrs Marjeta Zevnik resigned as the Supervisory member representing shareholder interests, effective as of August 28, 2014;*

Explanation to the resolution proposal to item 5:

Company Supervisory Board member Mr Bojan Brank filed on June 27, 2014, his statement of resignation from the position of Supervisory Board member. On August 4, 2014, company Supervisory Board members Mr Matej Lahovnik, Mr Rok Rozman, Mr Boris Galić, Mr Zdenko Podlesnik, and Mrs Marjeta Zevnik filed their statements of resignation from the position of Supervisory Board member, effective as of August 28, 2014.

Additional item 6: Appointment of new Supervisory Board members

RESOLUTION PROPOSAL:

Resolution proposal to agenda item 6.1

6.1 *The Shareholders Assembly hereby appoints Damir Kuštrak, residing at Nova Ves 28, 10000 Zagreb, Croatia, as Supervisory Board member representing shareholder interests, for a term starting on the day of appointment at the Shareholders Assembly and lasting four (4) years.*

Resolution proposal to agenda item 6.2

6.2 *The Shareholders Assembly hereby appoints Ante Todorić, residing at Himper 5/4, 10000 Zagreb, Croatia, as Supervisory Board member representing shareholder interests, for a term starting on the day of appointment at the Shareholders Assembly and lasting four (4) years.*

Resolution proposal to agenda item 6.3

6.3 *The Shareholders Assembly hereby appoints Ivan Crnjac, residing at Šestinski vrh 42, 10000 Zagreb, Croatia, as Supervisory Board member representing shareholder interests, for a term starting on the day of appointment at the Shareholders Assembly and lasting four (4) years.*

Resolution proposal to agenda item 6.4

6.4 *The Shareholders Assembly hereby appoints Matej Lahovnik, residing at Cesta talcev 4, 3320 Velenje, as Supervisory Board member representing shareholder interests, for a term starting on the day of appointment at the Shareholders Assembly and lasting four (4) years.*

Resolution proposal to agenda item 6.5

6.5 *The Shareholders Assembly hereby appoints Darko Knez, residing at Ive Serdara 7, 10000 Zagreb, Croatia, as Supervisory Board member representing shareholder interests, for a term starting on the day of appointment at the Shareholders Assembly and lasting four (4) years.*

Resolution proposal to agenda item 6.6

6.6 The Shareholders Assembly hereby appoints Ivica Mudrinić, residing at Graščica 2A, 10000 Zagreb, Croatia, as Supervisory Board member representing shareholder interests, for a term starting on the day of appointment at the Shareholders Assembly and lasting four (4) years.

Explanation to the resolution proposal to item 6.1

It is proposed to the Shareholders Assembly to appoint Mr Damir Kuštrak as Company Supervisory Board member.

Damir Kuštrak was born in 1956. He first graduated in construction engineering at the University of Zagreb, followed by a Master's degree at the Faculty of Agriculture. He started his professional career as project associate at the company Convest Inženjering in Zagreb where he worked from 1983 to 1985. This was followed by a five-year stint at the Institute of Mechanization, Technology and Construction. From 1990 to 1994 he was the assistant lecturer at the Faculty of Agriculture in Zagreb. From 1994 to 2000, Mr Kuštrak was the senior executive vice president of operations and marketing at Agrokor, d.d. From 2000 to 2003 he was the Deputy Minister of Finance of the Republic of Croatia. In 2004, he was appointed Management Board President at the company Medika; he held the position for four years, until 2008. From 2004 to 2011, Mr Kuštrak was also the chairman of the Croatian Association of Employers. Since 2008, he has been the executive vice president of export markets at Agrokor, d.d.

The proposed candidate has provided his consent for candidacy and a written statement declaring that there are no circumstances opposing his appointment pursuant to the provisions of the Companies Act (ZGD-1).

Explanation to the resolution proposal to item 6.2

It is proposed to the Shareholders Assembly to appoint Mr Ante Todorčić as Company Supervisory Board member.

Ante Todorčić was born in 1978. He first graduated in economics at the Faculty of Economics in Zagreb, following up with a Master's degree in finance at the same school. He started his professional career at Agrokor, d.d., in 1996 as the florist store manager. He was then appointed assistant at the wheat exports department at the company Agrokor trgovina, d.d. His was then hired by Konzum, d.d., as the head of retail, assistant to the President of the Management Board, regional director of retail, deputy director of fruit and vegetables procurement department and the as director of this sector, assistant director of purchasing, assistant director of logistics, deputy director of wholesale and then as director of this sector. In 2011, he was appointed executive project manager at Agrokor, d.d. In 2006, he was appointed Supervisory Board Chairman at Agrokor, d.d. He is currently employed as the executive vice president at Agrokor, d.d., in charge of retail.

The proposed candidate has provided his consent for candidacy and a written statement declaring that there are no circumstances opposing his appointment pursuant to the provisions of the Companies Act (ZGD-1).

Explanation to the resolution proposal to item 6.3

It is proposed to the Shareholders Assembly to appoint Mr Ivan Crnjac as Company Supervisory Board member.

Ivan Crnjac was born in 1977. He graduated in economics at the University of Zagreb, and earned his MBA degree in Slovenia at the IEDC Bled School of Management. He started his professional career in 2000 at CAIB Investicijsko Bančništvo (investment banking), then a part of Bank Austria. He joined the company Agrokor, d.d., in 2005 as the executive director of strategy and financial/capital markets. He has been a Management Board member at Agrokor, d.d., since 2008. He is in charge of strategy and financial/capital markets.

The proposed candidate has provided his consent for candidacy and a written statement declaring that there are no circumstances opposing his appointment pursuant to the provisions of the Companies Act (ZGD-1).

Explanation to the resolution proposal to item 6.4

It is proposed to the Shareholders Assembly to appoint Mr Matej Lahovnik as Company Supervisory Board member.

Matej Lahovnik was born in 1971. He graduated at the Faculty of Economics of the University of Ljubljana. In 2000, he was awarded a PhD title at the same school. He starts his professional career in 1995 as teaching assistant for the field of management at the Faculty of Economics in Ljubljana. He worked as a teaching assistant until 2001 when he was appointed director of the company LKK, d.o.o. From 2001 to 2006 he was employed as associate professor at the Faculty of Economics in Ljubljana. In this period, he was also the Minister of Economy in the government of the Republic of Slovenia from April 22 to December 3, 2004. From 2006 to 2010, he lectured on management as an assistant professor at the Faculty of Economics in Ljubljana. From December 2008 to November 2009 he was the head of the negotiation team of the Government of the Republic of Slovenia for an international energy engineering agreement on the South Stream between the Republic of Slovenia and the Russian Federation, and headed the committees on investment and corporate governance in negotiations with OECD regarding the full membership in this organization. He was the Minister of Economy in the Government of the Republic of Slovenia from November 2008 to July 2010. From October 2010 to 2012, he worked as the assistant professor of management at the Faculty of Economics of the University of Ljubljana. As of January 2014, he has been employed as full professor at this school.

The proposed candidate has provided his consent for candidacy and a written statement declaring that there are no circumstances opposing his appointment pursuant to the provisions of the Companies Act (ZGD-1).

Explanation to the resolution proposal to item 6.5

It is proposed to the Shareholders Assembly to appoint Mr Darko Knez as Company Supervisory Board member.

Darko Knez was born in 1970. He graduated in 1996 at the Faculty of Mechanical Engineering and Shipbuilding, University of Zagreb. In July 2006, he completed the program INSEAD, International program for executive managers, following up with a Master's degree at the Faculty of Economics of the University of Zagreb. He started his professional career as shop assistant at Scandkop in 1997. He joined Agrokor, d.d., in 1999 as the assistant vice president of strategic segments and marketing. He has worked at Konzum, d.d., since 2000. In this period, he has held a positions of deputy director of logistics and distribution center (2000–2001), director of logistics and distribution center (2001–20002), head of marketing (2002–2003), and executive director of sales and marketing (2003–2007). He has been the Management Board President at Konzum, d.d., since 2007.

The proposed candidate has provided his consent for candidacy and a written statement declaring that there are no circumstances opposing his appointment pursuant to the provisions of the Companies Act (ZGD-1).

Explanation to the resolution proposal to item 6.6

It is proposed to the Shareholders Assembly to appoint Mr Ivica Mudrinić as Company Supervisory Board member.

Ivica Mudrinić was born in 1955. He graduated in 1978 at the University of Toronto, majoring in electrical engineering. He started his career at the company Motorola Communications. In 1985, he founded his own company for design and development of interactive terminals, cable TV, and telecommunications. In the second half of 1991, he was the advisor to the President of the Republic of Croatia. At the end of the year, he was appointed assistant to the Minister of Transport and Communications. From 1992 to 1996, he was a member of the Government of the Republic of Croatia and the Minister of Maritime Affairs, Transport, and Communications. From 1996 to 1998 he was the Chairman of the Board at Croatian National Radio and Television. He was then appointed Director General of the Croatian Postal and Telecommunications Services, with the task of splitting up and founding two separate companies: the Croatian Postal Service for postal services, and the Croatian Telekom - for telecommunications services. From 1999 to late 2013 he was the Management Board President at Croatian Telekom. Mr Mudrinić is a member of the Engineers Association of the Ontario Province, Canada. He is also a member of the Croatian RIT (Rochester Institute of Technology) Council in Zagreb. From 1994 to 2007 he regularly lectured at the Faculty of Political Science in Zagreb. Ivica Mudrinić was a member of the Board of Directors at the International Academy of Television Arts and Sciences in New York from 1997 to 2014. He is currently the chairman of the Association of Croatian Employers and the chairman of the Croatian National Board of Competitiveness.

The proposed candidate has provided his consent for candidacy and a written statement declaring that there are no circumstances opposing his appointment pursuant to the provisions of the Companies Act (ZGD-1).

Considering listed updates the **consolidated version of the agenda of the 20th regular Shareholders Assembly of the company Poslovni sistem Mercator, d.d.**, taking place on August 28, 2014 at 1 PM at the company headquarters in Ljubljana, Dunajska cesta 107, is as follows:

I. AGENDA AND RESOLUTION PROPOSALS

1. Opening of the Shareholders Assembly and appointment of the Shareholders Assembly chairperson

RESOLUTION PROPOSAL:

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

2. Presentation of Annual Report and the Supervisory Board's Report on the results of Annual Report review and audit for the 2013 fiscal year; information on the offsetting of net loss; information on the compensation and rewards of the members of managerial and supervisory bodies; information on the Supervisory Board evaluation procedure; and granting discharge from liability to the company Supervisory Board and Management Board.

RESOLUTION PROPOSAL:

A) Granting discharge from liability to the company Supervisory Board for the fiscal year 2013

The Shareholders Assembly grants discharge from liability to the company Supervisory Board for the fiscal year 2013.

B) Granting discharge from liability to the company Management Board for the fiscal year 2013

The Shareholders Assembly grants discharge from liability to the company Management Board for the fiscal year 2013..

3. Appointment of a certified auditing company for the year 2014

RESOLUTION PROPOSAL:

The auditing company DELOITTE REVIZIJA, d.o.o., Dunajska cesta 165, Ljubljana, shall be appointed as the company auditor for 2014.

4. Changes and amendments to Article 37 of the company Articles of Association

RESOLUTION PROPOSAL:

Article 37, Paragraph 4 of the company Articles of Association shall be changed and amended to the following wording: "Supervisory Board sessions shall be attended by Supervisory Board and Management Board members, and invited experts or individuals presenting relevant reports; the Supervisory Board may also invite other

persons to be present during discussion of particular agenda items, if their presence is required for such discussion."

5. Information about the resignation of Supervisory Board members

RESOLUTION PROPOSAL:

The Shareholders Assembly is informed about the following resignations:

- *as of June 27, 2014, Mr Bojan Brank resigned as the Supervisory Board member representing shareholder interests;*
- *on August 4, 2014, Mr Matej Lahovnik resigned as the Supervisory Board Chairman and Supervisory Board member representing shareholder interests, effective as of August 28, 2014;*
- *on of August 4, 2014, Mr Rok Rozman resigned as the Supervisory Board Deputy Chairman and Supervisory Board member representing shareholder interests, effective as of August 28, 2014;*
- *on of August 4, 2014, Mr Boris Galić resigned as the Supervisory member representing shareholder interests, effective as of August 28, 2014;*
- *on of August 4, 2014, Mr Zdenko Podlesnik resigned as the Supervisory member representing shareholder interests, effective as of August 28, 2014; and*
- *on of August 4, 2014, Mrs Marjeta Zevnik resigned as the Supervisory member representing shareholder interests, effective as of August 28, 2014;*

6. Appointment of new Supervisory Board members

RESOLUTION PROPOSAL:

Resolution proposal to agenda item 6.1

- 6.1 *The Shareholders Assembly hereby appoints Damir Kuštrak, residing at Nova Ves 28, 10000 Zagreb, Croatia, as Supervisory Board member representing shareholder interests, for a term starting on the day of appointment at the Shareholders Assembly and lasting four (4) years.*

Resolution proposal to agenda item 6.2

- 6.2 *The Shareholders Assembly hereby appoints Ante Todorić, residing at Himper 5/4, 10000 Zagreb, Croatia, as Supervisory Board member representing shareholder interests, for a term starting on the day of appointment at the Shareholders Assembly and lasting four (4) years.*

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6.4 *The Shareholders Assembly hereby appoints Matej Lahovnik, residing at Cesta talcev 4, 3320 Velenje, as Supervisory Board member representing shareholder interests, for a term starting on the day of appointment at the Shareholders Assembly and lasting four (4) years.*

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Resolution proposal to agenda item 6.6

6.6 *The Shareholders Assembly hereby appoints Ivica Mudrinić, residing at Graščica 2A, 10000 Zagreb, Croatia, as Supervisory Board member representing shareholder interests, for a term starting on the day of appointment at the Shareholders Assembly and lasting four (4) years.*

In accordance with applicable legislation and Article of Association, requirement for amendment of the agenda of the 20th regular Shareholders Assembly of the company Poslovni sistem Mercator, d.d., together with other material for the Assembly and explanations and consolidated version of the agenda, is published on companies' website <http://www.mercatorgroup.si> and on website of Ljubljana Stock Exchange <http://seonet.ljse.si>, and are also available at the company headquarters in Ljubljana, Dunajska cesta 107, each workday from the day of announcement of the amendment agenda of the Shareholders Assembly convocation to the day of the Shareholders Assembly session from 9 AM to 12 noon.

President of the Management Board:
Anton Balažič