

Pursuant to Article 258 of the Companies Act and Article 64 of the Articles of Association of POSLOVNI SISTEM MERCATOR d.d., the company Supervisory Board adopted on February 27, 2007 the Rules of Procedure of the Supervisory Board of Poslovni sistem Mercator d.d.; at subsequent sessions held on November 11, 2008, February 26, 2009, April 24, 2012, April 25, 2014, August 29, 2014, and June 6, 2019, further amendments to the Rules of Procedure were adopted. Following is the consolidated text of the currently effective document.

RULES OF PROCEDURE OF THE SUPERVISORY BOARD OF POSLOVNI SISTEM MERCATOR d.d.

I. GENERAL PROVISIONS

Article 1

These Rules of Procedure are adopted by the Supervisory Board of the company Poslovni sistem Mercator d.d. (hereinafter referred to as the Supervisory Board), pursuant to the Companies Act, company Articles of Association, and the Slovenian Corporate Governance Code for Listed Companies, to define the methods of its work, convocation of sessions, and other issues relevant to the Supervisory Board's work.

II. SUPERVISORY BOARD COMPOSITION

Article 2

The Supervisory Board shall consist of 9 members.

Members of the Supervisory Board representing the interests of the shareholders shall be appointed by the Shareholders Assembly, while the Supervisory Board members representing the interests of the workers shall be appointed, pursuant to the Worker Participation in Management Act, by the Works Council; upon doing so, the Works Council shall inform the Shareholders Assembly or the company Management Board about the appointment of the Supervisory Board members.

All candidates for Supervisory Board members shall, as a general rule, meet the following general conditions: having completed at least level VII education, and having had at least 5 years of business experience. Furthermore, the candidates shall, as a rule, meet the following specific conditions:

- relevant expert and professional knowledge required for efficient performance of the tasks pertaining to the position, and comprehensive knowledge of business administration;
- familiarity with the trade industry in Slovenia and in the markets of SE Europe;
- relevant documents and certificates of knowledge and qualification, proving the candidate's fitness to work in a Supervisory Board;
- a strong sense of business ethics and personal integrity;
- sufficient time available.

A candidate for the Supervisory Board member shall submit a written statement declaring that there are no circumstances which, pursuant to the provisions of Article 255 of the Companies Act, could oppose or preclude her or his appointment.

When selecting the candidates, the Supervisory Board or the Human Resource Committee, if appointed, shall also take into account the restrictions listed in Article 4 herein.

If there are no suitable candidates among the employees of the company Poslovni sistem Mercator d.d. (hereinafter referred to as the Company) to represent the workers in the Supervisory Board, the Works Council shall be entitled to appoint independent candidates not employed at the Company.

The number of representatives of the workers in the Supervisory Board is defined in the company Articles of Association. The procedure of their appointment and termination of their office/dismissal is regulated by a general Act; criteria of professional adequacy shall also be considered in the selection of candidates.

If the Works Council appoints a Supervisory Board member representing their interests from the broad management of the Company, the Company shall be obliged to publicly announce such appointment.

Article 3

Supervisory Board members shall be appointed for a term of four years and they shall be eligible for re-election.

The Shareholders Assembly may prematurely dismiss (terminate the term of office of) the Supervisory Board members:

- at their own discretion;
- if the members are no longer capable of performing their function;
- if the members perform their function negligently or in a way that is harmful;
- for other reasons relevant to the company's operations.

A resolution on the dismissal of a Supervisory Board member shall require at least a three quarter (3/4) majority of the votes present at the relevant Assembly.

Should a Supervisory Board member resign, she or he shall submit the Notice of Resignation to the Management Board and inform the Supervisory Board chairperson about the resignation. The office of the Supervisory Board member shall be terminated when the Management Board receives the Resignation Notice.

Article 4

A Supervisory Board member cannot be:

- member of the Management Board
- company officer with statutory authority/procurator;
- Management Board member at another company at which a Management Board member of Poslovni sistem Mercator d.d. is a Supervisory Board member;
- a person who is a Supervisory Board or Management Board member at three other companies;
- a person employed at a competing company, or a person performing business activity that could be defined as competition to the operating activities of the company;

- a person who has been convicted (with a final conviction) in the last five years for a criminal offence against a business, employment relationship and social security, legal proceedings, property, environment, space, and natural resources, if fewer than five years have passed since the final conviction and if fewer than two years have passed since the end of prison sentence.

Throughout the term, Supervisory Board members shall further their education and develop their skills in the areas relevant to quality and efficient performance of their duties. Training and education of Supervisory Board members is motivated, organized, and financed by the company, in compliance with the estimated requirements of the company and the Supervisory Board.

Before the Shareholders Assembly at which the shareholders vote on the appointment of the Supervisory Board members, the candidates shall be presented in a fitting manner, and any potential conflicts of interest shall be disclosed.

III. POWERS AND RIGHTS OF THE SUPERVISORY BOARD MEMBERS

Article 5

Powers and authority of the Supervisory Board members are defined in the Companies Act and the company Articles of Association.

Supervisory Board members representing capital shall represent the interests of all shareholders, while the representatives of workers shall represent the interests of all workers; all Supervisory Board members shall do so within the powers and authority vested in the Supervisory Board.

In their work, individual Supervisory Board members may not be excessively tied to the opinions or instructions by those who appointed them or proposed them for appointment; rather, each Supervisory Board shall be personally fully responsible and accountable for their function. All Supervisory Board members shall have equal rights and obligations, regardless of who they were elected, proposed, or appointed by.

Each Supervisory Board member shall, under all and any circumstances, pursue full independence in analysis, decision-making, and actions.

From the beginning of the term, each Supervisory Board member shall act in compliance with the criteria of a diligent, concerned, and fair manager.

Article 6

The Supervisory Board shall review the Annual Report and the proposal for the allocation of distributable profit as submitted by the Management Board. Each Supervisory Board member or Audit Committee member, if appointed, shall have the right to review and check any background information for the Annual Report. Such information shall be, at the Supervisory Board member's request, presented to the Supervisory Board member unless the Supervisory Board decides otherwise.

The Supervisory Board shall compile a written report on the findings of the audit/review as defined in the previous paragraph, for the Shareholders Assembly. The report shall include information on how and to what extent company management was reviewed for the business year. If an Auditor's Report is enclosed with the Annual Report, the Supervisory Board shall also state its opinion regarding the Auditor's Report. At the end of the report, the Supervisory Board shall state whether,

after the final review, there are any remarks or notes with regard to the Annual Report, and whether the Supervisory Board has confirmed the Report. If this is the case, the Annual Report is deemed adopted.

The Supervisory Board shall present its report to the Management Board within one month from the receipt/submission of the complied Annual Report; if the Supervisory Board fails to do so, the Management Board shall immediately set a new deadline that should not be longer than one month. If the Supervisory Board does not confirm or submit the Annual Report, it shall be deemed not adopted.

Article 7

Supervisory Board shall be responsible for appointment and dismissal of Management Board members. In managing such affairs, the Supervisory shall seek to provide continuity of the Management Board's work by selecting successors with due diligence and in a timely manner, while including the Management Board in these efforts. The President of the Management Board shall propose to the Supervisory Board his or her successor no less than one year before the end of the term.

The Supervisory Board may also delegate the procedure of selecting the candidates for the new Management Board members to a separate committee. The Supervisory Board or the committee shall appoint the candidates by observing previously defined criteria laid out in the Management Board Act; candidates for Management Board members shall meet these criteria.

The Supervisory Board shall arrange for relevant contracts to be signed with all Management Board members. These contracts shall define the tasks and responsibilities of respective Management Board members, the system of compensation and rewards including the criteria for variable rewards, duties of respective Management Board members in terms of loyalty to the company, and the procedures with regard to dismissal and severance payment. Dismissal of a Management Board member for other business reasons shall not be construed per se as a termination of office for reasons of the Management Board member's own fault. In case of termination of office for reasons of the Management Board member's own fault, the Management Board member shall not be entitled to any severance payment.

In addition to the criteria defined by relevant legislation, Articles of Association, and other company regulations, the Management Board President shall also possess leadership and organizational skills, and enjoy the reputation of a good businessperson in the broad social environment.

Any Management Board member shall immediately inform the Supervisory Board and other Management Board members of any actual or potential conflict of interest.

A Management Board member may only accept membership in a Supervisory Board or a Management Board of another company that is not associated in any way with Mercator, after informing in writing the Supervisory Board chairperson of such membership.

While performing her or his function, every Management Board member shall observe the non-compete obligation, which means that they shall not perform any for-profit activity in the same industry as that of the company, nor effect any business transactions for their own or anyone else's account, without prior consent by the Supervisory Board.

Article 8

For auditing, the Supervisory Board shall propose an auditor to carry out the audit in an independent, unbiased manner and in full compliance with the effective rules of audit. The Supervisory Board shall not appoint as the auditor an auditing company that renders any consulting services for the company, or an auditing company whose revenue from the audit of the company would represent 30 percent or more of the auditing company's total revenues.

The auditor may be present at all Supervisory Board sessions at which decisions related to the Annual Report or the internal controls system and risk management are adopted.

Before appointing an auditor at the Shareholders Assembly, all shareholders shall be informed of any other service performed currently or previously by the auditor in the professional areas related to auditing. Furthermore, any other fact that could lead to a conflict of interest on the part of the auditor shall be disclosed to the shareholders.

Article 9

The Management Board and Supervisory Board shall work closely together to the benefit of the company. Articles of Association and these Rules of Procedure define more precisely the division of responsibility between the Management Board and Supervisory Board, as well as the ways of their cooperation.

When adopting major decisions that could considerably affect the business, financial, or legal status of the company, the Management Board and Supervisory Board shall seek to reach consent.

Supervisory Board chairperson shall maintain regular contact with the Management Board President to consult about strategy, development of operations, and risk management of the company. The Management Board President shall inform immediately the Supervisory Board chairperson about any major events relevant to the assessment of the status and effects, as well as to company management. The Supervisory Board chairperson shall inform the Supervisory Board about any such major events and convene an extraordinary session if necessary.

Supervisory Board chairperson shall also discuss with the Management Board President the training of Supervisory Board members and introduction of new members.

It is the right and duty of the Supervisory Board to request from the Management Board additional explanations and reports on any issues that may be unclear with regard to the operations of the companies and its subsidiaries.

Once a year, the Supervisory Board shall define the contents and the deadlines that the Management Board has to meet with regard to regular reporting and informing. The Management Board shall submit all information in writing. Documents required for decision-making shall be made available to all Supervisory Board members and Supervisory Board Committee members in a timely manner.

The Supervisory Board shall also define the payments, compensations, and other benefits for the Management Board members.

Article 10

The amount and the method of determining individual payments, compensations, and other benefits for the Supervisory Board members, including payments for their membership in Supervisory Board committees, shall be specified with a Shareholders Assembly resolution.

The amount of payment shall be in an appropriate ratio relative to the tasks of the Supervisory Board members and the company's financial status.

IV. OBSERVING THE PRINCIPLES OF MANAGEMENT AND CORPORATE GOVERNANCE

Article 11

Every Supervisory Board member individually, and the Supervisory Board as a body of governance, shall observe the principles of management and corporate governance for joint stock companies and seek to implement these principles in the company.

V. V. SUPERVISORY BOARD CHAIRPERSON, SECRETARY TO THE SUPERVISORY BOARD, AND THE SUPERVISORY BOARD COMMITTEES

Article 12

Supervisory Board chairperson and his or her deputy shall be appointed by the Supervisory Board members, among the members representing the interest of the shareholders. The deputy shall have the same powers and authorizations as the chairperson during the latter's absence.

Tasks of the Supervisory Board chairperson are defined in the Companies Act and company Articles of Association.

Supervisory Board chairperson shall coordinate the work of the Supervisory Board and preside over the meetings/sessions, and represent the Supervisory Board in relations with the Management Board.

Article 13

The Supervisory Board shall appoint a secretary to the Supervisory Board, who, as a general rule, shall be an employee of the company. The Supervisory Board secretary shall perform for the Supervisory Board various administrative and technical tasks, keep and compile minutes, and manage the Supervisory Board archives.

Article 14

The Supervisory Board may appoint one or more committees for individual areas of work within their powers and authorizations. The purpose of such committees shall be to prepare resolution proposals and to oversee the implementation of such resolutions.

A committee may not decide on issues within the responsibility of the Supervisory Board.

The Supervisory Board may appoint, among the company employees, a committee that will define an opinion for the Supervisory Board before deciding on issues related to company employees. The committee shall be presided over by one of the Supervisory Board members who was appointed to the Supervisory Board as a representative of the employees.

In order to analyze professional or expert issues, the Supervisory Board may authorize experts who may also be invited to Supervisory Board sessions.

Article 14. a

The Audit Committee shall consist of at least three members. At least one of the Committee members shall be an independent expert, while the remaining Committee members may only be other members of the Supervisory Board.

Management Board members, executive director of finance, accounting, controlling, and internal audit, director of accounting, director of controlling and internal audit, and other persons deemed appropriate and invited by the Audit Committee, may be present at the Audit Committee sessions upon invitation.

The amount and the method of defining individual payments, compensation, and other benefits of independent Audit Committee members shall be defined by a Supervisory Board resolution.

VI. SUPERVISORY BOARD SESSION

Article 15

Supervisory Board chairperson shall convene and preside at the Supervisory Board sessions.

If the Supervisory Board chairperson is, for objective reasons, unable to convene and preside over the Supervisory Board session, the session shall be convened and presided over by the Deputy Supervisory Board chairperson.

In case both Supervisory Board chairperson and deputy chairperson are absent, the session shall be presided over by a Supervisory Board member appointed by the Supervisory Board.

Article 16

Supervisory Board chairperson shall convene the Supervisory Board session at his or her own discretion. However, the session shall be immediately convened upon request by one or more members of the Supervisory Board or the Management Board, provided the latter state the purpose or reasons for such convocation. Request for convocation of Supervisory Board session shall be submitted to the Supervisory Board chairperson by registered mail.

If the request for convocation of Supervisory Board session by at least two Supervisory Board or Management Board members was not granted within a week, the members proposing the session may convene the session instead, also proposing the session agenda.

As a rule, the Supervisory Board shall be convened at least once per quarter and no less than once per every half of each year.

Article 17

Supervisory Board and Management Board members shall receive written invitations to the meeting/session, complete with the materials and proposals of resolutions not adopted at the previous Supervisory Board session, no less than seven days before the session. The materials for the

Supervisory Board session may under certain circumstances be sent subsequently; however, the Supervisory Board members should receive them at least two days before the session.

If a Supervisory Board member is unable to attend the session, he or she shall inform the Supervisory Board secretary or chairperson thereof before the start of the session.

Seven days before the session, written invitation shall also be submitted to all invited experts or reporters. In addition to the invitation, they shall also be sent all materials related to the agenda items they were invited to discuss.

In urgent cases, when dealing with a certain matter is related to the deadline, a president of the Supervisory Board has a right to convene the session in a shorter period as determined in the first paragraph of this article, while materials for the subject matter can be submitted to the members on the session of the Supervisory Board.

Article 18

If a Supervisory Board member takes unreasonably long time to present his or her argument or if such presentation digresses from subject of discussion, the Supervisory Board chairperson has the right to restrict the time of discussion for each item of the agenda. Supervisory Board chairperson may also interrupt the presentation of any member not observing such restrictions.

All Supervisory Board decisions are adopted at Supervisory Board sessions.

At least once per year, the Supervisory Board shall review and rate the work of the Management Board and its individual members. Such review shall be related to the discussion on the compensation and rewards for Management Board members.

The Supervisory Board can meet without the presence of Management Board members whenever it is suitable and in cases when deciding on appointment of Management Board President, compensation and rewards to Management Board members, and when reviewing their own work.

The Supervisory Board shall employ available information technology for submitting materials and convocations of sessions. All Supervisory Board members shall be invited to the sessions in the same way. The Supervisory Board may also use information technology for conducting the sessions and voting on resolution proposals.

Supervisory Board chairperson shall encourage Supervisory Board members to perform their function efficiently and actively.

VII. SUPERVISORY BOARD SESSION AGENDA

Article 19

The agenda of the Supervisory Board session shall be proposed by the Supervisory Board chairperson or the person convening the session. Each agenda proposal shall also include an item "Miscellaneous" to allow additional motions, proposals, raising questions, and submitting information.

When planning Supervisory Board sessions, the Supervisory Board chairperson shall cooperate with the Management Board. Upon request by the Supervisory Board chairperson, the Management

Board shall carry out all professional and administrative tasks to allow the Supervisory Board to perform their supervisory and steering function in a smooth and quality manner.

The Supervisory Board shall first confirm the minutes of the most recent Supervisory Board session and discuss the implementation of resolutions adopted at that session. At the beginning of the session, the agenda shall be defined. This process starts by deciding on any proposals to strike a particular agenda item from the agenda; then, proposals to expand the agenda shall be voted on. Proposals for restricting or expanding the agenda shall be explained. .

If proposed by the Supervisory Board chairperson or at least one third of the Supervisory Board members, the Supervisory Board session agenda may be expanded at the very session.

Chairperson shall include in the Supervisory Board session agenda an item complete with resolution proposals, if this is requested by at least one half of the Supervisory Board members.

The Management Board shall submit any information to the Supervisory Board in a way that fully complies with the Companies Act, company Articles of Association, and these Rules of Procedure.

All information shall always be submitted to the entire Supervisory Board and not only to individual Supervisory Board members or the chairperson.

VIII. SUPERVISORY BOARD DECISION-MAKING PROCESS

Article 20

The presence of at least one half of Supervisory Board members shall be required in any decision-making in order to constitute quorum. In absence of quorum, the Supervisory Board chairperson shall define a new date and time for the Supervisory Board session. If the chairperson establishes during the session that members of the Supervisory Board have left the session and that quorum requirement is no longer met, the session shall be interrupted and the time shall be defined when the session can be resumed.

Supervisory Board chairperson may interrupt the session for no more than one hour, if additional consulting or opinion are required, or in other reasonable and justifiable cases.

As a rule, Supervisory Board members shall vote openly/publicly by raising hands, or by secret ballot, in writing (by ballot papers) if this is requested by one third of the present members.

In such cases, ballot papers are used that include the proposal of the resolution to be voted on and possible votes: "in favour", "against", "abstain". Ballot papers that are not filled in or are filled in wrongly, , shall be deemed invalid.

Supervisory Board's decision-making on all issues shall take the form of decisions which shall be effective as of the day they are adopted. Supervisory Board members shall vote on each proposed decision separately. The Supervisory Board chairperson shall call for a vote on a particular resolution proposal when it is established that nobody else wishes to discuss the matter.

In order to adopt a decision and for the Supervisory Board decision to be valid, majority of the votes cast shall be required.

In case of an equal number of votes, the vote of the chair shall be the deciding vote.

If not being present a Supervisory Board member can vote by e-mail or by any other appropriate communication device by informing other Supervisory Board member how he/her wishes to vote at the specific item on the agenda.

Supervisory Board member shall not take part in decision-making on the issues related to that member.

Article 21

In the event of the members of the Supervisory Board's inability to attend or due to a need for the urgent adoption of a resolution, a president of the Supervisory Board can decide to hold the session by correspondence - in writing, by telephone, telegraph, or by using similar technology, if the majority of the Supervisory Board members agree to such method.

The question for the correspondence session shall be clear and unambiguous, allowing a straight answer with "yes" or "no".

Minutes of the correspondence session shall be compiled, stating the reason for such session, the question discussed and voted on, and replies by the Supervisory Board members. The minutes shall be confirmed by the Supervisory Board at their first subsequent session. At the first subsequent session, the Supervisory Board chairperson shall also explain the reasons for conducting a correspondence session.

IX. MINUTES OF THE SUPERVISORY BOARD SESSION

Article 22

Audio recording of each Supervisory Board session shall be made, unless the Supervisory Board decides otherwise. Such audio recordings shall be used to compile session minutes, and as evidence in any legal disputes or proceedings in which the Supervisory Board members and Management Board members are involved or may be involved with regard to the performance of their function of a member of a supervisory or managerial body. The audio recordings shall be kept by the secretary to the Supervisory Board for a period of ten (10) years since their creation. Every current/former Supervisory Board or Management Board member shall have at any time the right to audition at the company premises the recording of any part of any Supervisory Board session at which she or he was present. For the purpose of presenting evidence or reviewing of particular facts in specific legal proceedings or in pending legal proceedings, the current/former Supervisory Board or Management Board member may also request the audio recording of the part of a particular Supervisory Board session at which she or he was present. In such case, the current/former Supervisory Board or Management Board member shall present to the secretary to the Supervisory Board proof of involvement as a party in actual legal proceedings, or proof that such proceedings are pending, and sign a statement that the requested recording of the Supervisory Board session will only be used for the purpose of evidence in the court of law and that the recording shall be protected as business secret with the highest level of confidentiality. The secretary to the Supervisory Board shall keep records of such requests and access to the audio recordings.

Minutes of the progress of Supervisory Board session shall also be kept. These minutes shall include the following:

- date and place of the Supervisory Board session;
- session attendants;
- session agenda;
- concise contents of the discussions by the Supervisory Board chairperson and members, and any other session attendants;

- resolutions and voting results by individual items of the agenda, stating the names of Supervisory Board members voting in favour and against the proposal;
- statements and opposing views by individual Supervisory Board members or Management Board members for which the persons presenting them requested that they be noted into the session minutes.

Supervisory Board session minutes shall be submitted to the Supervisory Board chairperson in seven working days after the session; the Supervisory Board chairperson shall authorize the minutes in two days after receiving them.

The minutes shall then be sent to all Supervisory Board and Management Board members; other persons present at the session shall only be sent the summary for the agenda item for which they were invited.

Any objections or remarks to the minutes may only be submitted by persons who attended the session. Remarks and objections to the minutes shall be discussed by the Supervisory Board at the following session.

Parts of the minutes that are deemed confidential or deal with a business secret shall be indicated with a clearly visible sign: CONFIDENTIAL/BUSINESS SECRET.

Article 23

Original copies of the minutes and Supervisory Board resolutions, including entire material for particular Supervisory Board sessions, complete with the list of attendants and the ballot papers used, shall be kept by the Supervisory Board secretary.

X. NOTIFYING THE MANAGEMENT BOARD OF THE SUPERVISORY BOARD RESOLUTIONS

Article 24

Supervisory Board chairperson, or Supervisory Board member authorized for such task, shall inform within three days after the session the company Management Board, if they were not present at the session, about the resolutions adopted. If deemed appropriate or necessary, other relevant bodies of corporate governance and the public shall also be informed, in a suitable way. Press conference may only be convened by the Supervisory Board chairperson based on a previous resolution by the Supervisory Board.

XI. CONFIDENTIALITY/BUSINESS SECRETS

Article 25

Entire work of the Supervisory Board, except for Supervisory Board resolutions, shall be subject to the rules on business confidentiality/business secrets, unless the Supervisory Board, subject to consultation with the Management Board, expressly decides that particular material may be made available to the internal or broad public.

The Management Board may inform the internal public about the Supervisory Board's work; however, in doing so, the Management Board may not breach any provision of these Rules of Procedure regarding business confidentiality or business secrets.

Each Supervisory Board member shall be obliged and liable to protect confidential information and business secrets and to act loyally to the company.

XII. CONFLICTS OF INTEREST IN SUPERVISORY BOARD MEMBERS

Article 26

In their work and decision-making, Supervisory Board members shall pursue above all the goals of the company; any other personal or particular interest of third parties, Management Board, shareholders, the public, or the state, shall be subordinate to the interests of the company.

Supervisory Board members may not perform managerial or executive functions or consulting services for competitive companies, nor is it advisable that they be major shareholders or partners in such companies.

Each Supervisory Board member shall take all precautionary measures to avoid any conflict of interest that could affect their judgement.

Conflict of interest shall be deemed as a situation in which unbiased and objective performance of tasks or decision-making of a Supervisory Board member is compromised because of inclusion of his or her personal economic interest or interest of his or her family, presence of emotions, political or national favour or abhorrence, or any other interest related to other natural or legal person.

Following are the procedures to be instituted or measures to be taken in cases when conflict of interest is established:

- individual member of the Supervisory Board shall explain the conflict of interest and abstain from voting;
- in reasonably justified cases, the Supervisory Board chairperson may request from the Supervisory Board members before the session to declare whether there is any conflict of interest with regard to the issue being voted on;
- the fact that a particular member of the Supervisory Board has abstained from the vote on the grounds of a conflict of interest and any explanations or statements by the Supervisory Board members related to such occurrence shall be duly noted in the minutes of the Supervisory Board session.

Supervisory Board member shall inform the Supervisory Board about any conflict of interest that has occurred or may occur in performing or with regard to performing his or her function. In addition, each Supervisory Board member shall inform the Supervisory Board of his or her membership in Supervisory Boards or Management Boards of other companies.

The Supervisory Board shall inform the Shareholders Assembly in its report at least once per year about the existence of conflicts of interest and about the measures adopted in this regard.

The Supervisory Board shall approve all agreements and contracts on consulting and other services related to cooperation between individual members of the Supervisory Board, and the company and any associate or affiliated company.

XIII. AVAILABILITY OF THESE RULES OF PROCEDURE

Article 27

Rules of Procedure on the work of the Supervisory Board shall be made available under equal conditions to all shareholders and the Works Council, at the company headquarters and, in electronic form, at the company website.

XIV. TRANSITORY AND FINAL PROVISION

Article 28

These Rules of Procedure and any subsequent changes and amendments hereto shall be adopted by the Supervisory Board with the majority of the votes cast.

As of the day of adoption of these Rules of Procedure, the Rules of Procedure of the Supervisory Board of Poslovni sistem Mercator d.d., adopted on August 29, 2014, complete with all changes and amendments, shall no longer be effective.

Ljubljana, June 6, 2019

Supervisory Board chairperson:

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